

U.S. Balance of Payments Developments:

Fourth Quarter and Year 1972

FOR 1972 as a whole, the most significant U.S. balance of payments developments were sharp deteriorations in the trade balance and in the current account balance, and a substantial reduction of capital outflows from the extraordinary 1971 figure. The favorable shift in net long-term capital outflows almost exactly offset the adverse shift in the current account balance, and the deficit in the balance on current account and long-term capital was thus virtually unchanged at \$9.2 billion. Recorded net short-term capital outflows and unrecorded outflows dropped nearly \$20 billion from 1971 with the result that the official reserve transactions deficit fell about the same amount. Even so, the deficit was over \$10 billion, an untenably large figure. (See table A1.)

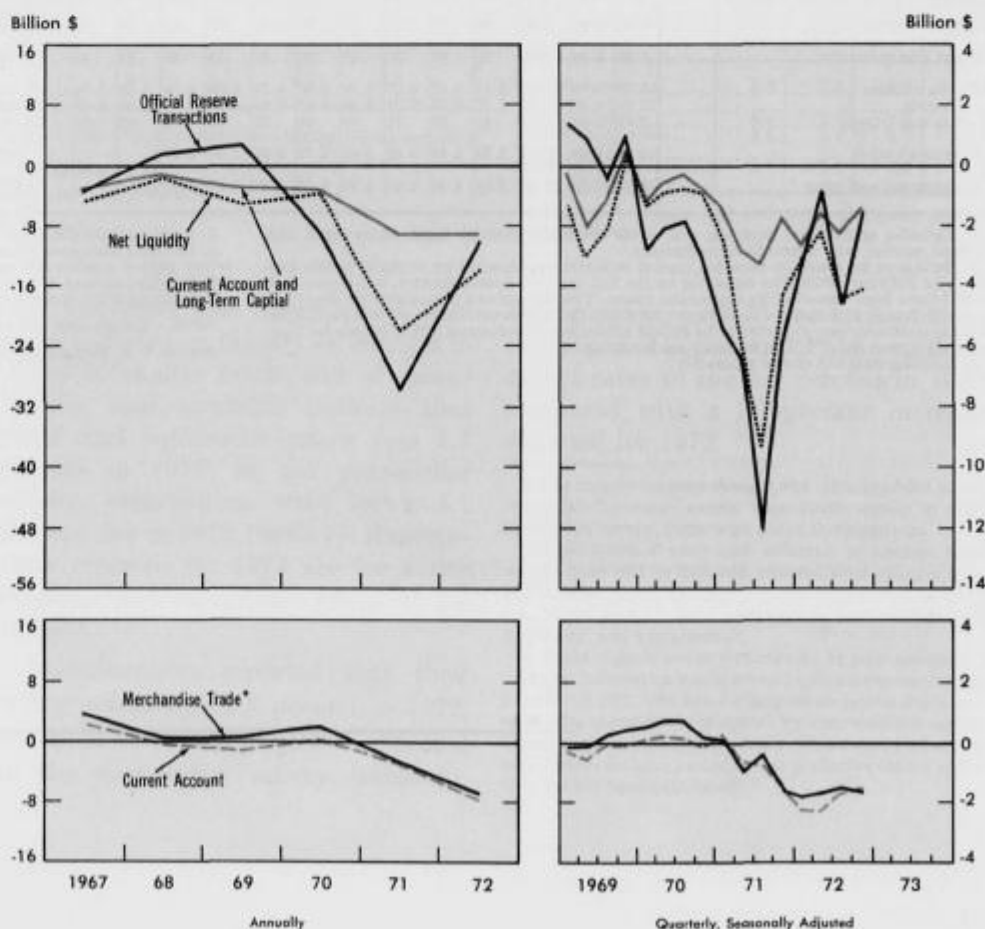
In the fourth quarter of 1972, the current account balance showed a moderate improvement from the third quarter to a \$1.6 billion deficit, as a surge in receipts of income on U.S. direct investment abroad more than offset a deepening of the trade deficit. The balance on current account and long-term capital improved \$0.8 billion to a deficit of \$1.5 billion as a large rise in foreign purchases of U.S. securities and a small decline in U.S. direct investment capital outflows more than offset an increase in outflows of U.S. Government capital and in U.S. purchases of foreign securities. Short-term

capital flows improved sharply in the fourth quarter, and the official reserve transactions deficit dropped to \$1.6 billion, about \$3.1 billion below the third quarter figure.

The weakness in the current account balance in 1972 largely stemmed from the faster rise in merchandise imports than in exports; this mainly reflected the stronger rate of economic expan-

CHART 11

Balances on Major U.S. International Transactions



*In Highlights and Perspectives, Max Lechter wrote the section on Merchandise Trade and Robert Leftwich wrote the section on Corporate Capital Flows.

*Excludes exports under military grants and U.S. military agency sales contracts and imports of U.S. military agencies.

sion in the United States than in other major industrial countries in 1972. Also contributing to the rise in imports was the initial effect of the appreciation of major currencies against the dollar, which resulted in an immediate increase in dollar import prices without an immediate reduction in volume. In addition, inflation abroad boosted import prices.

The faster rate of increase in economic activity in the United States than abroad also had an influence on the reduction in net capital outflows in 1972. The strong cyclical upswing in the United States, which preceded the business upturn abroad by about half a year, stimulated purchases of U.S. securities by foreigners, and the more rapid rise in U.S. short-term interest rates as compared with foreign rates also contributed to the inflow of foreign private capital into the United States, in contrast to outflows in 1971.

However, a more important influence on the decline in net capital outflows in 1972 was an improvement in exchange market conditions during the year following the Smithsonian Agreement in December 1971. (See chart 12.) Exchange markets nevertheless still remained subject to speculative flare-ups, such as those which affected the

British pound and later the dollar early in the summer, and exchange market uncertainties probably contributed to the continued relatively large outflows of funds through unrecorded transactions during 1972 after an inflow in the

first quarter. Although unrecorded outflows were less than in 1971, they amounted to \$3.8 billion in 1972, substantially above the roughly \$1.0 billion that might be considered normal on the basis of pre-1971 experience.

Developments Affecting Major Accounts in 1972

Current account transactions

The merchandise trade deficit declined after the first quarter of 1972, but increased again in the fourth. For the full year, the trade deficit increased \$4.1 billion to an unprecedented \$6.8 billion as imports rose \$10.2 billion and exports expanded \$6.1 billion. (See Highlights and Perspectives.)

The balance on military transactions improved in the second half of 1972 but for the full year worsened by \$0.6 billion to a \$3.5 billion deficit. Transfers under U.S. military agency sales contracts were \$1.2 billion in 1972, the lowest level since 1968 and far below the record \$1.9 billion in 1971, when aircraft deliveries were exceptionally high. Direct defense expenditures abroad de-

clined in the third quarter but turned up again in the fourth, and for the full year totaled \$4.7 billion, down only \$0.1 billion from 1971. Continuing increases in prices of goods and services purchased in developed countries nearly offset the decline in expenditures in Southeast Asia.

The balance on travel and transportation showed a deficit of \$0.6-\$0.7 billion in each quarter of 1972, and the deficit for the full year totaled \$2.6 billion. This was up only \$0.2 billion from 1971, the smallest increase since 1968. A strong rise in U.S. travel expenditures in Europe was partly offset by a decline in travel expenditures in Canada.

Income receipts from U.S. investment abroad dropped off in the first

Table A1.—Summary of U.S. International Transactions

(Billions of dollars, seasonally adjusted)

Line	Lines in tables 2, 3, and 4 in which transactions are included are indicated in ()	1970	1971	1972*	Change: 1971-72	1971				1972				Change: 1972-71
						I	II	III	IV	I	II	III	IV	
1	Merchandise trade balance (2, 15)	2,164	-2,666	-3,846	-4,180	148	-800	-287	-1,634	-1,831	-3,777	-1,626	-1,683	-158
2	Services, net (3-15, 17-27)	1,899	3,417	2,800	-821	647	1,049	663	667	628	877	661	1,027	356
3	Balance on goods and services	3,963	750	-4,216	-4,969	795	169	376	-977	-1,203	-1,900	-964	-656	-298
4	Remittances, pensions, and other transfers (31, 32)	-1,474	-1,629	-1,567	-23	-865	-349	-402	-404	-298	-338	-338	-416	-48
5	Balance on goods, services, and remittances	2,489	-779	-5,774	-4,997	637	-311	-286	-881	-1,533	-1,780	-1,332	-1,072	169
6	U.S. Government grants (excluding military) (30)	-1,734	-2,045	-2,206	-163	-430	-477	-544	-586	-601	-536	-648	-534	4
7	Balance on current account	385	-2,824	-7,980	-4,159	207	-698	-770	-1,569	-2,333	-2,316	-1,770	-1,606	164
8	U.S. Government capital flows, net, and nonliquid liabilities to other than foreign official reserve agencies (33, 43)	-2,019	-2,373	-1,307	1,011	-702	-284	-566	-533	-343	-45	-322	-607	-265
9	Long-term private capital flows, net (34-41, 44, 46-51, 53)	-1,399	-4,079	107	4,186	-922	-1,605	-1,583	330	-1,064	750	-234	600	944
10	Balance on current account and long-term capital	-5,609	-8,381	-6,243	2,138	-1,423	-1,677	-3,211	-1,772	-3,717	-1,663	-2,346	-1,823	633
11	Nonliquid short-term private capital flows, net (42, 45, 52)	-482	-2,368	-1,034	762	-534	-315	-633	-654	-506	682	-607	-1,211	-704
12	Allocations of SDR (54)	687	717	710	-7	180	178	179	178	178	177	177	177	0
13	Errors and omissions, net (54)	-1,174	-11,064	-8,800	7,248	-800	-2,708	-5,466	-2,062	042	-1,314	-1,826	-1,606	217
14	Net liquidity balance	-5,651	-22,662	-13,374	8,028	-2,577	-3,728	-9,330	-4,329	-3,805	-2,247	-4,601	-4,684	336
15	Liquid private capital flows, net (43, 46, 54)	-6,065	-7,783	3,077	11,440	-2,846	-740	-2,631	-1,619	-130	1,380	-173	2,686	3,765
16	Official reserve transactions balance	-9,639	-28,704	-10,297	18,408	-5,425	-5,456	-11,931	-5,346	-3,224	-821	-4,874	-1,622	3,652

* Preliminary.

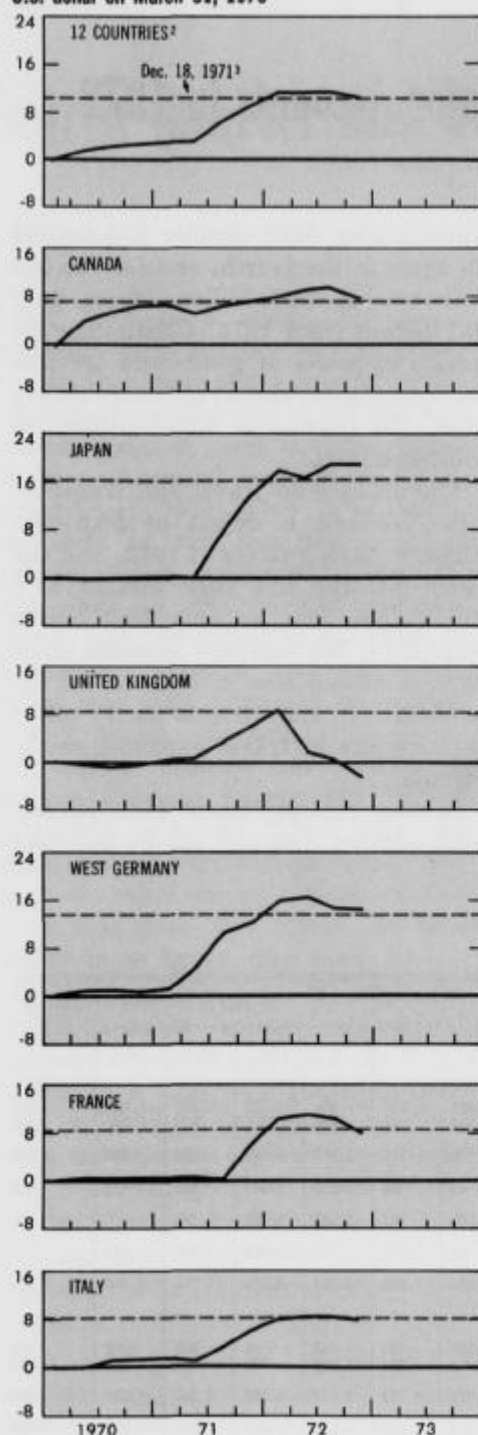
† Revised.

Note.—Details may not add to totals because of rounding.

CHART 12

Changes in Selected Foreign Exchange Rates ¹

Percent change from parity with U.S. dollar on March 31, 1970



1. Spot rates at end of quarter.
2. U.S. trade-weighted average of Canada, Japan, United Kingdom, West Germany, France, Italy, Netherlands, Belgium, Switzerland, Denmark, Sweden and Norway.
3. Represents the percent change between parity on March 31, 1970 and the central rates established in the Smithsonian agreement on December 18, 1971.

half of 1972 but then increased to a record \$3.9 billion in the fourth quarter and totaled \$13.8 billion for the year. The year-to-year increase of \$0.9 billion was in large part accounted for by direct investment income receipts of U.S. petroleum companies. The 1972 increase in U.S. income receipts, however, was exceeded by the \$1.0 billion rise in income payments on foreign investments in the United States, to \$5.9 billion, so that the net surplus on investment income dropped \$0.1 billion to \$7.9 billion in 1972. This decrease contrasts with the persistent rise in the past decade, interrupted only in 1969. The steady increase in income payments during the year 1972 was associated with the very large 1970-72 buildup in U.S. Government liabilities to foreign official agencies and with rising short-term interest rates in 1972.

As a result of the transactions summarized above, the balance on goods and services worsened by \$5.0 billion to a deficit of \$4.2 billion in 1972. There was little change in remittances and pensions, and U.S. Government grants (excluding military) rose only \$0.2 billion. Thus, there was a \$5.2 billion deterioration in the current account balance to a deficit of \$8.0 billion in 1972.

Long-term capital flows

Long-term capital transactions moved irregularly during 1972, with net inflows in the second and fourth quarters and outflows in the first and third. For the full year, net long-term capital outflows were \$1.3 billion, down \$5.2 billion from 1971 and the lowest since 1968. Most of the improvement was due to a \$2.6 billion rise in long-term private foreign capital inflows, mainly through the purchase of U.S. securities, and to a \$1.6 billion decline in long-term private U.S. capital outflows. In addition, U.S. Government capital outflows fell \$1.0 billion.

U.S. direct investment capital outflows were \$3.3 billion in 1972, down \$1.4 billion from 1971 and the lowest since 1969. The decline from 1971 may have in part represented an adjustment after the exceptionally large 1971 outflows, and may also have been related

to a slowdown in the growth of plant and equipment outlays abroad. (See Highlights and Perspectives and the article on plant and equipment expenditures abroad, beginning on page 45.)

U.S. transactions in foreign securities shifted temporarily to net sales in the third quarter when there was a hiatus in placements of new Canadian bond issues in the U.S. market. For the full year 1972, net U.S. purchases of foreign securities were \$0.6 billion, down \$0.3 billion from 1971. This reflected a favorable shift of \$0.5 billion in transactions in foreign stocks from small net U.S. purchases in 1971 to net sales in 1972, partly offset by an increase of about \$0.1 billion in U.S. purchases of new foreign bond issues to a total of \$1.6 billion (purchases from Canada were up \$0.1 billion to \$0.9 billion), and by a \$0.1 billion adverse shift in U.S. net transactions in outstanding foreign bonds.

There was a small net inflow of long-term capital reported by U.S. banks in the first quarter of 1972 but increasing net outflows for the rest of the year; the total net outflow was \$1.1 billion, as compared with \$0.8 billion in 1971. The increase in long-term claims reported by U.S. banks was \$0.7 billion bigger than in 1971, presumably reflecting larger increases in trade credits; that adverse shift was partly offset by a favorable \$0.4 billion shift in long-term banking liabilities, mainly reflecting changes in long-term deposits by international and regional organizations.

Foreign direct investment in the United States shifted favorably by \$0.4 billion from a small net outflow in 1971 to a \$0.3 billion inflow in 1972. This mainly reflected cessation of the large transfers of funds by Japanese affiliates to their parent companies which took place in 1971.

Foreign purchases of U.S. securities, unusually large throughout 1972, reached a record \$1.9 billion in the fourth quarter. For the year as a whole purchases increased \$2.2 billion to \$4.5 billion, surpassing the previous high of \$4.4 billion in 1968. Foreign purchases of Eurobonds newly issued by U.S. corporations were exceptionally large in the second and fourth quarters.

For the full year they increased \$0.8 billion to \$2.0 billion, approaching the record of \$2.1 billion set in 1968. Convertible bond issues had a strong resurgence in 1972, accounting for most of the increase from the preceding year. Net foreign purchases of U.S. stocks, reflecting the buoyant stock market, rose \$1.6 billion to a record \$2.5 billion in 1972. Nearly half of these purchases took place in the fourth quarter.

U.S. Government capital outflows, net of repayments and of increases in nonliquid liabilities to other than foreign official agencies, were unusually low in the first three quarters, and for the full year dropped by \$1.0 billion to \$1.4 billion. The decline in net capital outflows reflected both a reduction in U.S. Government lending and an increase in U.S. Government liabilities arising from foreign prepayments on military orders.

As a result of all these transactions, net long-term capital outflows declined \$5.2 billion from \$6.5 billion in 1971 to \$1.3 billion in 1972. This favorable shift offset the rise in the current account deficit so that the deficit on current account and long-term capital, at \$9.2 billion in 1972, was the same as in 1971.

Short-term capital flows

Net U.S. short-term nonliquid private capital outflows declined \$0.8 billion in 1972, to \$1.6 billion, still a large outflow compared with other years.

A substantial reflux of these funds in the second quarter of 1972 was followed by outflows of \$0.5 billion in the third quarter and a record \$1.2 billion in the fourth. Most of the deterioration in the fourth quarter reflected an increase in bank-reported claims on Japan. For the year as a whole, however, claims on Japan were reduced by \$0.4 billion, as Japanese monetary authorities pursued a policy of making dollars available to Japanese banks for use in liquidating previous borrowings from the United States.

Net outflows resulting from unrecorded transactions (errors and omissions) receded to \$3.8 billion in 1972 from the unprecedented \$11.1 billion in 1971, but were still very high compared with earlier years. Large shifts in unrecorded transactions are presumably mainly a reflection of movements of volatile short-term capital. In the first quarter of 1972, just after new central rates were set for many leading currencies under the Smithsonian Agreement, there were net inflows of unrecorded funds amounting to \$0.9 billion. However, this was followed by net outflows of \$1.3 billion in the second quarter as exchange uncertainties began to build up. Net outflows increased again in the third quarter and showed a slight (\$0.2 billion) improvement in the fourth.

All the transactions mentioned earlier in the review of the current account and

long-term capital flows, plus the \$0.8 billion improvement in nonliquid short-term private capital outflows and the \$7.2 billion improvement in unrecorded transactions, reduced the net liquidity deficit by \$8.0 billion—from \$22.0 billion in 1971 to \$14.0 billion in 1972. The 1972 deficit, while below the 1971 figure, was still substantially higher than the average annual deficit of \$4.0 billion during the years 1967-70.

Transactions in liquid private capital improved by \$11.4 billion, to net inflows of \$3.7 billion in 1972 from net outflows of \$7.8 billion in 1971 (and \$6.0 billion in 1970). Most of the 1972 shift reflected funds flowing to U.S. banks through their foreign branches and to U.S. agencies and branches of foreign banks from their head offices abroad. In the fourth quarter alone, inflows from foreign commercial banks rose \$1.8 billion to \$2.1 billion, mainly reflecting transactions with Canada and Japan. At that time, U.S. short-term interest rates were rising faster than European rates, while Canadian and Japanese rates remained virtually unchanged.

These 1972 changes in liquid capital transactions, together with changes in all the transactions previously discussed, accounted for the \$19.5 billion reduction in the official reserve transactions deficit to \$10.3 billion. The 1972 deficit compares with a 1970 deficit of \$9.8 billion and an average surplus of \$0.3 billion in the years 1967-69.

Table A2.—Summary of U.S. International Transactions, by Area

(Billions of dollars)

Line	Lines in table 0 in which transactions are included are indicated in ()	Western Europe		Japan ¹		Canada		Other ¹	
		1971	1972 *	1971	1972 *	1971	1972 *	1971	1972 *
1	Merchandise trade balance (2, 16).....	606	-502	-3,208	-4,101	-1,893	-1,898	1,410	-284
2	Services, net (3-15, 17-27).....	-2,460	-3,725	-224	-881	1,363	1,516	4,743	4,480
3	Balance on goods and services.....	-1,854	-4,227	-3,432	-4,982	-530	-334	6,153	4,196
4	Remittances, pensions, and other transfers (31, 37).....	-340	-265	-46	-41	-121	-120	-1,033	-1,142
5	Balance on goods, services, and remittances.....	-1,381	-4,537	-3,478	-4,983	-651	-454	5,120	3,054
6	U.S. Government grants (excluding military) (30).....	-28	62		2			-2,046	-2,271
7	Balance on current account.....	-2,011	-4,511	-3,478	-4,982	-651	-454	3,118	2,783
8	U.S. Government capital flows, net, and nonliquid liabilities to other than foreign official reserve agencies (33, 40).....	-302	-136	53	32	-68	18	-2,061	-1,279
9	Long-term private capital flows, net (30-41, 44, 49-61, 68).....	281	3,622	-860	266	-303	-1,104	-3,182	-2,583
10	Balance on current account and long-term capital.....	-2,078	-1,125	-4,277	-4,582	-959	-1,183	-3,188	-2,822

* Preliminary.
¹ Ryukyu Islands included with Japan and excluded from "Other Areas" beginning in 1972. In 1971 transactions with the Ryukyu Islands resulted in net payments of about \$0.5 billion for current account and long-term capital transactions.

NOTE.—Details may not add to totals because of rounding.

Financing the official reserve transactions deficit

The 1972 official reserve transactions deficit of \$10.3 billion was largely financed by a \$9.7 billion increase in liquid liabilities to foreign official agencies plus a \$0.6 billion combined increase in other readily marketable liabilities and in nonliquid liabilities reported by the U.S. Government. U.S. official reserve assets changed very little during 1972 since dollar converti-

bility into these assets was suspended in August 1971. A repurchase of gold by the IMF from the United States—which was offset by a reduction of U.S. liabilities to the IMF—reduced the reported U.S. gold stock by \$545 million. Other U.S. reserve assets declined slightly, as the 1972 SDR allocation of \$0.7 billion was offset by reductions in convertible currency holdings and in the U.S. gold tranche position in the Fund.

inflow of capital from Western Europe (which probably included funds originating in other parts of the world) was slightly higher than the previous peak reached in 1968.

The balance on current account and long-term capital transactions with Western Europe was in deficit by \$1.1 billion in 1972, a considerable improvement from the \$2.1 billion deficit in 1971. The balance has fluctuated rather widely in recent years; for instance, it shifted from a deficit of close to \$0.7 billion in 1967 to a surplus of \$1.9 billion in 1968. However, the 1972 deficit was larger than that for any other year in the 1960-72 period with the exception of 1971.

Japan¹

Transactions with Japan followed a pattern similar to that with Europe—a deterioration in the balance on current account transactions and an improvement in the balance on private long-term capital movements. The deficit on current account and long-term capital transactions, at \$4.5 billion in 1972, was roughly the same as in 1971.

Transactions with Japan in goods, services, and unilateral transfers resulted in a current account deficit of about \$4.8 billion in 1972, about \$1.1 billion larger than in 1971. This deterioration was considerably less than the \$2.5 billion worsening in the deficit in corresponding transactions with Western Europe (from \$2.0 billion in 1971 to \$4.5 billion in 1972). About \$0.9 billion of the \$1.1 billion increase in the current account deficit with Japan was accounted for by merchandise trade transactions; the remainder was due to an increase in interest payments on dollar assets held by official Japanese agencies.

Long-term capital transactions with Japan shifted from a net outflow of about \$1.0 billion in 1971 to a net inflow of \$0.3 billion in 1972. By far the major factor in that shift was the change in the movement of Japanese capital, from a net outflow of nearly \$0.4 billion in 1971 to a net inflow of about \$0.6 billion in

Developments in 1972 by Major Area

DEVELOPMENTS in the U.S. balance of payments with each major foreign area, other than Canada, were similar to developments in the balance of payments with foreign areas as a whole. In general, the balance on current account transactions deteriorated while the balance on long-term capital transactions improved. (See chart 13 and tables A2, 9 and 10.) This indicates that the factors underlying balance of payments developments in 1972 were not special conditions in specific foreign areas but were broad in scope and influenced transactions with all major areas to varying degrees.

Western Europe

Because of the close economic relationships among Western European countries, it is appropriate to review U.S. balance of payments transactions with the area as a whole rather than with individual countries or groups of countries. This applies particularly to capital transactions, for which the United Kingdom and Switzerland act as intermediaries between the United States and other countries, so that nominal attribution of transactions to these two countries does not necessarily indicate that they are the ultimate sources or users of the funds.

The balance on merchandise trade with Western Europe deteriorated by

\$1.4 billion in 1972 to a \$0.6 billion deficit. Net payments on military transactions increased about \$0.7 billion to \$1.8 billion. Net investment income deteriorated by about \$0.4 billion to net payments of \$0.1 billion, reflecting the large and rapidly rising stock of short-term dollar assets held by official European agencies and the growing European investments in U.S. corporate securities. The transactions in goods, services, and unilateral transfers resulted in a current account deficit of \$4.5 billion in 1972 as compared with \$2.0 billion in 1971. The \$2.5 billion adverse shift with Western Europe represented about half of the total current account deterioration with all areas.

The deterioration in the current account balance with Western Europe was more than offset by a \$3.3 billion improvement in the balance on private long-term capital transactions, and a \$0.2 billion decline in the net outflow of funds through Government capital transactions. The favorable changes in private long-term capital flows resulted from a \$1.4 billion decline in the net outflow of U.S. capital and a \$1.9 billion increase in the net inflow of European capital. The \$0.8 billion net outflow of U.S. private capital to Western Europe in 1972 was not only substantially less than the outflows of \$2.3 billion in both 1971 and 1970, but also less than in any year during the decade 1960-69. The \$4.3 billion net

1. Beginning with 1972, transactions with Japan also include those with the Ryukyu Islands. In 1971 transactions with the latter resulted in net payments of about \$0.3 billion for current account and long-term capital transactions. Comparisons take account of this change in coverage.

Highlights and Perspectives

1972. The large role played by foreign capital in the improvement in long-term capital transactions also paralleled the developments in U.S. transactions with Western Europe.

The deficit of \$4.5 billion on current account and long-term capital transactions with Japan in 1972 was about the same as in 1971. This was substantially higher than the \$1.1 billion deficit with Western Europe, since net capital inflows from Japan were much smaller than those from (and through) Western Europe and thus were less of an offset to the current account deficit. Thus, almost half of the total U.S. deficit on current account and long-term capital transactions was with Japan.

Other countries excluding Canada

Paralleling the changes in the transactions with Western Europe and Japan the balance on current account with other countries (excluding Canada)

worsened by about \$1.5 billion, from a surplus of \$3.3 billion in 1971 to a \$1.8 billion surplus in 1972. A \$1.7 billion decline in the merchandise trade balance and a \$0.3 billion rise in Government grants were partly offset by an improvement in services transactions, particularly through a rise in income receipts on U.S. direct investment and a decline in U.S. military expenditures.

The net outflow of Government and private long-term capital improved about \$1.3 billion, from \$5.2 billion in 1971 to \$3.9 billion in 1972. More than half of the shift—about \$0.7 billion—was in capital transactions with international organizations and with shipping subsidiaries of U.S. corporations. Net capital outflows to the developing countries of Asia, Africa, and Latin America declined by about \$0.4 billion, and those to Australia, New Zealand, and South Africa by a total of about \$0.1 billion. The only exception to these

declines was a rise of \$0.1 billion in capital outflows to Eastern Europe, consisting mainly of Government credits to finance the large U.S. exports of agricultural goods to the Soviet Union.

Since the \$1.3 billion decline in long-term capital outflows to the countries in this group nearly offset the \$1.5 billion decline in the current account balance, the deficit on current and long-term capital transactions increased by only \$0.3 billion to \$2.1 billion.

Canada

The pattern of transactions with Canada differed in a number of ways from that with other countries. The merchandise trade deficit showed a small deterioration, to \$1.8 billion in 1972 from \$1.7 billion in 1971, but that shift was offset by an improvement in services transactions—mainly higher net investment income receipts and lower net travel payments. Thus, the balance on current account showed a deficit of \$0.4 billion in both 1971 and 1972.

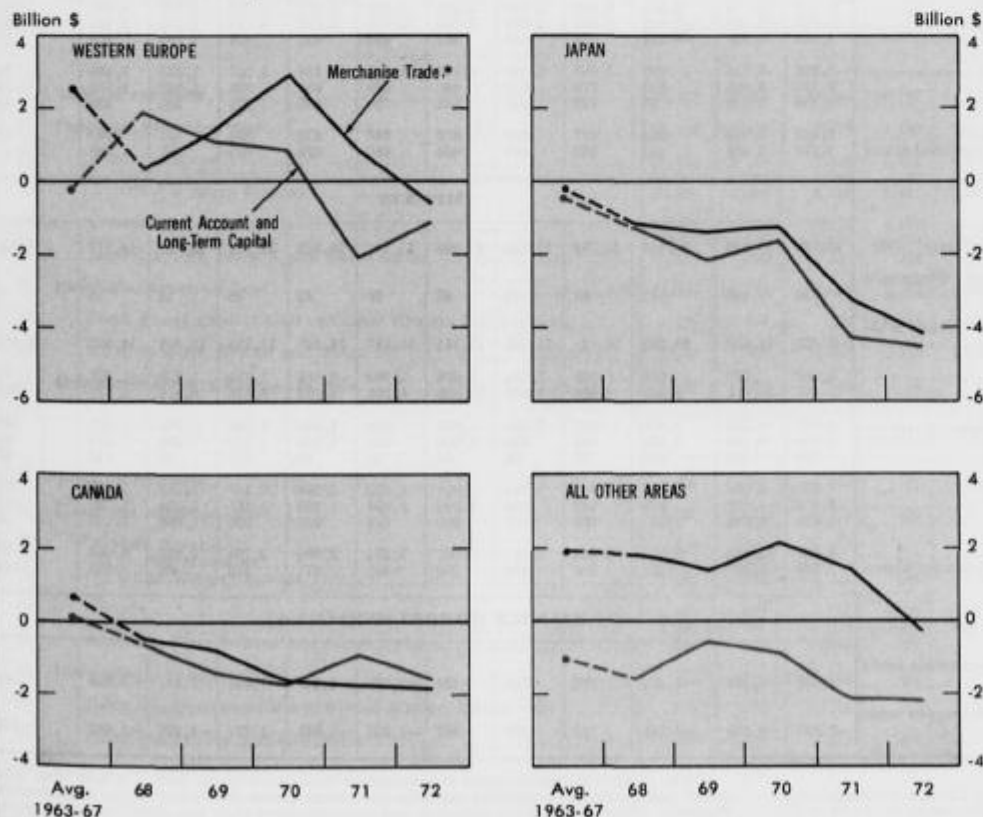
However, in contrast to the pattern of transactions with other countries, net long-term capital outflows rose from about \$0.4 billion in 1971 to \$1.1 billion in 1972. Most of that increase was in U.S. purchases of Canadian securities and in long-term bank loans. As a result, the balance on current account and long-term capital transactions with Canada deteriorated by about \$0.6 billion from 1971 to 1972, to a deficit of about \$1.5 billion. The pattern of transactions with Canada differed from that with other countries in 1971 as well, when the current account and long-term capital balance with Canada improved considerably, while the balances with the other areas deteriorated sharply.

Merchandise Trade

The merchandise trade deficit increased \$0.2 billion from the third to the fourth quarter of 1972, but the deficit for the second half of the year, at a seasonally adjusted annual rate of \$6.4 billion, was lower than the \$7.2 billion rate in the first half. (The trade data are on a balance of payments basis, excluding "military," which omits exports

CHART 13

Selected Balances by Area



*Excludes exports under military grants and U.S. military agency sales contracts and imports of U.S. military agencies.

and imports of the defense agencies and reflects various other adjustments to the trade figures reported by the Census Bureau.)

For the full year 1972, the trade balance deteriorated by \$4.1 billion, to a deficit of \$6.8 billion. This followed a deterioration of \$4.8 billion in 1971. (The 1971 deficit of \$2.7 billion was the

first, on a balance of payments basis, since 1935.)

Both imports and exports scored exceptionally strong gains from 1971 to 1972, but the rise in imports was considerably greater. Imports increased 22 percent, or \$10.2 billion, to a total of \$55.7 billion; exports increased 14 percent, or nearly \$6.1 billion, to \$48.8

billion. From 1970 to 1971, in comparison, imports had registered a gain of 14 percent while exports had edged up only 2 percent. The stronger expansion of trade in 1972 was partly caused by the surge of export and import shipments following the end of the U.S. dock strikes that had depressed trade in 1971.

Table B1.—U.S. Merchandise Trade, by Principal End-Use Categories—Reconciled to Balance of Payments Basis

(Millions of dollars)

Line	(Numbers in parentheses () refer to line numbers in table 4)	1971 *	1972 *	Change: 1972-71	Seasonally adjusted								Change: 1972 III-IV
					1971 *				1972				
					I	II	III	IV	I *	II *	III *	IV *	
EXPORTS													
1	Total, adjusted to balance of payments basis, including "military" (5).....	43,845	49,680	5,735	24,370	11,369	11,881	3,834	21,575	11,779	12,574	13,452	873
2	Less: Exports under U.S. military sales contracts identified in Census documents (7).....	1,178	840	-338	298	355	274	261	216	218	194	212	18
3	Equals: Total, adjusted to balance of payments basis, excluding "military" (5).....	42,767	48,840	6,073	24,072	11,014	11,607	3,573	21,359	11,561	12,380	13,240	865
4	Agricultural goods.....	7,506	8,490	984	2,857	1,937	2,128	1,654	2,216	2,188	2,498	2,688	290
5	Nonagricultural.....	34,961	39,350	4,389	21,215	9,077	9,479	1,919	19,143	9,373	9,882	10,552	579
6	Food, feeds, and beverages (19) adjusted *	5,074	7,474	2,400	1,683	1,567	1,823	1,451	1,831	1,806	1,936	2,112	184
7	Food, feeds, and beverages—agricultural, adjusted *	3,932	7,399	3,467	1,335	1,470	1,532	1,310	1,536	1,765	1,888	2,096	184
8	Industrial supplies and materials (23) adjusted *	13,754	14,015	261	3,286	3,207	3,562	2,573	3,614	3,214	3,451	3,902	221
9	Agricultural.....	1,794	2,054	260	454	454	510	330	664	462	481	577	16
10	Nonagricultural.....	10,939	11,929	990	2,832	2,753	3,052	2,243	2,950	2,752	3,000	3,225	226
11	Capital goods, except automotive (34).....	15,119	16,678	1,559	2,616	3,770	3,822	3,589	4,061	4,013	4,187	4,441	254
12	Machinery, except consumer-type (36).....	11,292	12,333	1,041	2,904	2,870	3,035	2,720	2,199	2,170	2,295	2,461	166
13	Civilian aircraft, complete—all types (48).....	1,918	1,707	-211	474	486	452	492	485	501	407	454	67
14	Automotive vehicles, parts, and engines (30).....	4,308	5,325	1,017	1,094	1,167	1,183	1,827	1,194	1,207	1,304	1,409	73
15	From Canada (47)*.....	3,210	3,906	696	778	812	840	758	801	829	1,041	1,070	29
16	To all other areas (48).....	1,098	1,419	321	316	355	343	1,069	393	377	263	339	44
17	Consumer goods (nonfood), except automotive (32).....	2,847	3,404	557	677	699	828	617	830	685	801	940	40
18	All other, including balance of payments adjustments not included above.....	1,627	2,068	441	389	425	404	358	429	429	567	558	-21
IMPORTS													
19	Total, adjusted to balance of payments basis, including "military" (12).....	45,638	55,824	10,186	18,792	31,744	13,958	11,147	13,622	13,374	13,951	14,977	1,626
20	Less: Imports of U.S. military agencies identified in Census documents (14).....	185	168	-17	55	49	42	30	32	35	46	55	6
21	Equals: Total, adjusted to balance of payments basis, excluding "military" (12).....	45,453	55,656	10,203	18,737	31,695	13,916	11,117	13,590	13,339	13,905	14,922	1,620
22	Food, feeds, and beverages (31).....	6,366	7,257	891	1,545	1,654	1,878	1,280	1,819	1,719	1,823	1,897	74
23	Industrial supplies and materials (36) adjusted*	17,484	21,011	3,526	4,093	4,615	4,606	4,241	4,982	5,014	5,310	6,045	379
24	Capital goods, except automotive (30).....	4,127	5,372	1,245	906	1,055	1,070	998	1,391	1,358	1,394	1,825	141
25	Machinery, except consumer-type (31).....	3,900	5,135	1,235	998	999	1,006	989	1,243	1,238	1,280	1,888	99
26	Civilian aircraft, engines, parts (39).....	226	436	210	55	66	64	40	85	110	93	140	43
27	Automotive vehicles, parts, and engines (30) adjusted*	2,980	5,674	2,694	1,702	1,793	1,981	1,082	2,684	2,147	2,115	2,328	213
28	From Canada (adjusted to transactions value) (32)*.....	2,976	4,608	1,632	940	985	1,012	1,064	1,703	1,167	1,106	1,336	117
29	From all other areas (38).....	2,904	4,066	1,162	762	808	919	918	981	980	1,009	1,192	96
30	Consumer goods (nonfood), except automotive (37).....	3,351	11,366	8,015	2,014	2,217	2,007	2,214	2,904	2,704	2,279	3,955	67
31	All other, including balance of payments adjustments not included above.....	1,550	1,757	207	368	402	380	481	471	416	348	612	124
BALANCE (EXPORT SURPLUS +)													
32	Balance on merchandise trade adjusted to balance of payments basis including "military" (36).....	-1,673	-6,144	-4,471	378	-594	-954	-1,313	-1,647	-1,825	-1,377	-1,625	-146
33	Balance on merchandise trade, adjusted to balance of payments basis excluding "military" (17).....	-2,066	-6,818	-4,752	145	-898	-387	-1,634	-1,631	-1,777	-1,835	-1,683	-158

* Revised. * Preliminary.

"Adjusted" items reflect balance of payments corrections to Census trade figures for coverage, valuation, and timing. For example: line 6 is adjusted for changes in stocks of U.S. grain stored in Canada; lines 8 and 23 include exports and imports of nonmonetary gold, and petroleum trade of the Virgin Islands with foreign countries; lines 27 and 28 reflect adjustments for the overvaluation in Census import data of autos and trucks from Canada.

1. Includes goods physically exported from the United States under U.S. military agency sales contracts and recorded in Census trade statistics; includes goods physically imported into the United States directly by U.S. military agencies (and by the Atomic Energy Commission and the Coast Guard) and recorded in Census trade statistics.

3. The statistical identification of automotive products imports from Canada (line 28), which are definitively classified for duty-free status under the U.S.-Canada Automotive Products Trade Act, is more complete and comprehensive than the identification of automotive products exports to Canada (or of automotive export and import trade with all other areas). The less comprehensive identification of U.S. trade statistics on automotive exports to Canada results in an undercounting of such exports (line 15) which—estimated from examination of Canada's import statistics—amounted to over \$180 million annually in both 1971 and 1972.

NOTE.—Seasonally adjusted quarterly details may not add to unadjusted annual totals.

The faster rise of imports than of exports in 1972 reflected several developments. The rapid economic expansion in the United States exceeded that in most of our major export markets. Imports were also stimulated early in the year by the removal of the import surcharge imposed from August through December 1971. In addition,

import prices rose much faster than export prices, reflecting both inflation in many foreign countries and the initial perverse effects of the dollar devaluation resulting from the exchange rate realignments in December 1971. The devaluation induced a prompt increase in dollar import prices without an immediate reduction in volume.

Import prices (as measured by unit value indexes) rose 7.5 percent in 1972, compared with 5.2 percent in 1971. Export prices increased less than half as fast, by 3.5 percent, compared with 3.2 percent in 1971.

Agricultural exports rose \$1.7 billion, or 22 percent, from 1971 to 1972, with average export prices of U.S. farm

Table B2.—U.S. Merchandise Exports and Imports, by Major World Areas —Balance of Payments Basis, "Excluding Military"

(Millions of dollars)

Line		1971 *	1972 *	Change 1971-72	Seasonally adjusted								Change 1972 III-IV
					1971 *				1972				
					I	II	III	IV	I *	II *	III *	IV *	
EXPORTS													
1	Total, all countries	42,787	48,844	6,057	10,872	10,805	11,827	9,883	11,628	11,653	12,380	12,240	840
2	Developed countries, total	29,837	34,338	4,501	7,584	7,470	7,874	6,891	8,149	8,108	8,647	9,217	874
3	Western Europe	13,570	14,985	1,396	3,814	3,422	3,710	2,843	3,688	3,491	3,707	4,070	383
4	United Kingdom	2,358	2,653	295	674	664	682	610	680	637	683	712	63
5	Other Western Europe	11,211	12,332	1,001	2,939	2,858	3,117	2,334	2,908	2,894	3,044	3,357	312
6	Canada	10,475	12,020	2,184	2,871	2,510	2,715	2,374	2,884	3,092	3,323	3,250	27
7	Japan	4,000	4,078	908	1,072	1,032	985	973	1,182	1,164	1,233	1,284	149
8	Australia, New Zealand, and South Africa	1,894	1,940	427	427	406	485	481	305	356	382	412	31
9	Developing countries, total	12,950	13,906	1,313	3,267	3,237	3,853	2,984	3,309	3,317	3,457	3,628	301
10	Latin American Republics and other Western Hemisphere	6,433	7,328	905	1,638	1,824	1,840	1,326	1,740	1,730	1,858	1,980	42
11	Other countries in Asia and Africa	6,120	6,567	439	1,549	1,512	1,703	1,658	1,623	1,587	1,599	1,728	160
12	Communist areas in Europe and Asia	495	917	500	191	99	108	105	141	141	276	345	89
IMPORTS													
13	Total, all countries	45,452	65,658	20,206	10,737	11,635	11,914	11,117	13,480	13,338	12,985	14,423	1,018
14	Developed countries, total	33,308	48,510	15,172	7,939	8,579	8,583	8,183	9,841	9,835	10,030	10,800	770
15	Western Europe	12,754	16,567	3,803	3,104	3,372	3,582	2,702	3,032	3,738	3,800	4,101	261
16	United Kingdom	2,470	2,944	474	590	558	516	510	525	521	543	578	140
17	Other Western Europe	10,284	13,623	2,859	2,514	2,714	2,866	2,198	2,497	3,015	3,142	3,503	181
18	Canada	12,168	14,466	2,300	3,870	3,028	3,102	3,087	3,417	3,628	3,437	3,017	338
19	Japan	7,277	8,070	1,602	1,712	1,870	1,878	2,114	2,198	2,180	2,323	2,395	77
20	Australia, New Zealand, and South Africa	1,190	1,406	267	253	300	340	270	302	341	370	367	17
21	Developing countries, total	11,888	14,748	2,860	2,798	3,056	3,196	2,888	3,476	3,432	3,760	3,624	234
22	Latin American Republics and other Western Hemisphere	4,115	7,068	2,953	1,403	1,805	1,855	1,342	1,702	1,649	1,783	1,851	88
23	Other countries in Asia and Africa	5,770	7,680	1,910	1,240	1,458	1,631	1,626	1,783	1,774	1,977	2,148	166
24	Communist areas in Europe and Asia	229	392	168	54	63	66	46	74	61	115	139	14
BALANCE (EXPORT SURPLUS +)													
25	Total, all countries	-2,665	-6,814	-4,150	148	-886	-287	-1,634	-1,851	-1,717	-1,535	-1,683	-158
26	Developed countries, total	-3,621	-6,363	-2,871	-388	-1,109	-778	-1,282	-1,692	-1,732	-1,383	-1,683	-240
27	Western Europe	828	-802	-1,417	510	50	137	140	-244	-245	-93	-31	82
28	United Kingdom	-712	-201	-179	94	-94	-114	9	-86	-124	5	-88	-90
29	Other Western Europe	937	-304	-1,238	426	144	281	191	-159	-121	-98	54	162
30	Canada	-1,682	-1,820	-140	-239	-612	-477	-412	-832	-807	-214	-207	-363
31	Japan	-3,208	-4,101	-893	-848	-847	-823	-1,141	-1,008	-1,005	-1,088	-1,011	77
32	Australia, New Zealand, and South Africa	558	190	-418	174	185	168	122	93	15	12	20	14
33	Developing countries, total	677	-842	-1,620	464	884	937	-382	-208	-345	-303	-336	-83
34	Latin American Republics and other Western Hemisphere	318	170	-148	145	20	130	-26	-45	82	75	40	-26
35	Other countries in Asia and Africa	358	-3,113	-3,472	808	165	173	-286	-140	-187	-278	-385	-7
36	Communist areas in Europe and Asia	175	818	641	46	35	34	68	67	60	161	236	78

* Revised. * Preliminary.

1. Annual data shown in this table match corresponding country and area data in table B.

Lines 2 and 16; seasonally adjusted quarterly data shown in this table are computed from corresponding unadjusted quarterly data represented in table B, lines 2 and 16.

products up about 7 percent. Sales to the Soviet Union rose \$0.4 billion, mainly corn and wheat, and \$0.1 billion of grains was delivered to mainland China in the closing months of the year. But the bulk of the increase in agricultural shipments last year was to our more traditional export markets, as higher consumption rates and poor harvests in many foreign countries spurred demand for U.S. farm products and brought increases in both volume and price.

Exports of nonagricultural goods rose \$4.4 billion, or 12.5 percent, in 1972. (See table B1 and table 4.) Capital goods contributed the largest dollar amount, increasing by nearly \$1.6 billion, or 10 percent, despite a \$0.2 billion decline in civilian aircraft deliveries. Shipments of nonagricultural industrial supplies and materials rose 9 percent, or \$1.0 billion. Exports of automotive vehicles and parts (mainly to Canada) and of other nonfood consumer goods rose 17 percent and 23 percent, respectively, and accounted for most of the remaining dollar gain in nonagricultural exports. The \$0.6 billion (23 percent) increase in nonfood consumer goods was the largest dollar gain ever; this cate-

gory had risen 5 percent in 1971, and an average of 8 percent per year in the preceding 4 years.

Leading the \$10.2 billion increase in total imports in 1972 was a \$3.5 billion, or 20 percent, increase in industrial supplies and materials. Within this category, petroleum imports increased \$1.0 billion, or 28 percent, as compared with \$0.7 billion (24 percent) in 1971. The price (unit value) of oil imports increased 5 percent in 1972 following an increase of nearly 10 percent in 1971. Metal imports (mainly nonferrous) increased \$0.9 billion last year, while growing U.S. demand for building materials (other than metals) added \$0.6 billion to imports. Imports of nonfood consumer goods, excluding autos, rose \$2.8 billion in 1972 compared with a \$1.0 billion rise in 1971. Automotive imports increased \$1.3 billion in 1972; this was about \$0.5 billion less than the gain in 1971. Passenger car imports

from overseas declined 8 percent in number despite the fact that 1971 arrivals had been curbed by U.S. dock strikes. However, in value these imports rose 14 percent, as the average price per car increased 23 percent, reflecting a considerable shift toward larger, more expensive models, as well as higher prices resulting from the appreciation of foreign currencies against the dollar. Imports of foodstuffs and capital equipment accounted for the remaining import growth in 1972, with both categories recording gains more than four times as large as in 1971.

U.S. Corporate Capital

IN 1972, net outflows of U.S. corporate capital were \$1.5 billion, down \$2.8 billion from 1971. (See table C.) The improvement mainly resulted from a \$1.4 billion decline in direct investment

(Continued on page 55)

NOTE.—The merchandise trade data in the balance of payments tables have been revised for 1971 and 1972 mainly because of changes in seasonal adjustment.

Table C.—Net Change in U.S. Corporate Foreign Assets and Liabilities¹

(Millions of dollars, seasonally adjusted)

Line	Credits(+); debits(-) (lines in table 2 or 3 in which transactions are included are indicated in ())	1971	1972*	Change: 1971-72	1971				1972				Change: 1972 III-IV
					I	II	III	IV	I	II	III*	IV*	
1	Direct investment (32).....	-4,704	-3,339	1,426	-1,280	-1,217	-1,410	-793	-1,285	-190	-1,114	-837	239
2	Corporate foreign borrowing, total.....	1,489	2,441	1,182	98	347	380	663	305	1,839	883	704	111
3	Now issues of securities sold abroad by U.S. corporations ² (30).....	1,173	1,004	821	317	293	226	308	296	760	373	500	163
4	Other long-term liabilities (31).....	305	502	289	206	76	-117	143	-73	229	241	106	-35
5	Short-term liabilities ³ (33).....	15	85	72	-294	12	242	183	82	30	-29	-13	6
6	Direct investment net of corporate foreign borrowing ⁴	-3,276	-695	2,676	-1,181	-950	-1,690	-45	-961	639	-523	-153	378
7	Other corporate claims, total.....	-1,186	-758	388	-309	-107	-320	-400	-168	-823	-286	-231	47
8	Long-term (34).....	-100	-219	-110	-33	-11	-31	-34	-79	-71	-30	-41	-11
9	Short-term, nonliquid ⁵ (35).....	-821	-154	307	-86	-160	-128	-138	50	08	-04	-173	-79
10	Short-term, liquid (36).....	-266	-406	140	-178	63	-163	-228	-140	-126	-144	-7	137
11	Total net corporate capital flow.....	-4,412	-1,478	2,934	-1,580	-1,837	-1,380	-495	-9,359	816	-791	-374	417
Addenda.													
12	Uses of funds obtained from new issues of securities sold abroad by U.S. corporations ²	1,179	1,004	821	317	293	226	308	296	760	373	500	163
13	Additions to, and refinancing of, direct investment (30).....	-331	-829	78	-80	-124	-41	-73	-69	-10	-41	-130	-50
14	Short-term claims reported by U.S. residents other than banks (30).....	-269	-886	-671	-108	-34	-28	-53	-148	-284	-196	-172	80
15	Reduction in corporate liabilities to foreigners (31, 32).....	-204	-808	-63	-100	-36	-38	-33	-110	-60	-08	-08	-8
16	Transfer of funds to U.S. residents (31)*.....	-418	-671	-159	-18	-70	-114	-210	-79	-220	-60	-808	-140

* Preliminary. * Revised. † Portion of line.

1. Excludes claims and liabilities of U.S. banking and brokerage institutions.
2. Includes proceeds from new issues of stocks as well as bonds sold abroad by U.S. corporations. Excludes funds obtained abroad by U.S. corporations through bank loans and other credits and also excludes securities issued by subsidiaries incorporated abroad. However, securities issued by finance subsidiaries incorporated in the Netherlands Antilles are treated as if they had been issued by U.S. corporations to the extent that the proceeds of such issues are transferred to U.S. parent companies.
3. Excludes brokerage transactions.
4. Corporate foreign borrowing and changes in "other corporate claims" may include

funds to finance trade or other activities not entirely related to direct investment. Two amounts cannot be disaggregated.

5. A (-) reflects a decline in foreign deposits and money market paper held in the United States.

6. Includes a \$12 million inflow in the third quarter of 1972 and a \$75 million inflow in the fourth quarter of 1972 which are offset by corresponding outflows in the U.S. Government capital account in the third quarter and in long-term bank-reported claims in the fourth quarter.

NOTE.—Details may not add to totals because of rounding.

Table 1.—U.S. Balance of Payments Summary

(billions of dollars, seasonally adjusted)

Line	(Credits+; debits-)	Reference Notes (Table 2)	1971	1972*	Change 1971-72	1971				1972				Change 1972 III-IV
						I	II	III	IV	I	II	III	IV	
1	Merchandise trade balance ¹		-2,000	-3,314	-1,314	148	-600	-387	-1,534	-1,521	-1,777	-1,435	-1,663	-158
2	Exports		42,787	48,348	5,561	10,372	10,305	11,527	9,583	11,059	11,851	12,380	13,248	890
3	Imports		44,787	51,662	6,875	10,224	-10,727	-11,914	-11,117	-13,490	-13,338	-13,045	-14,922	-1,413
4	Military transactions, net	3, 17	-2,804	-2,541	263	-608	-724	-724	-724	-687	-687	-687	-687	37
5	Travel and transportation, net	4, 5, 8, 18, 19, 20	-2,432	-2,583	-151	-468	-625	-674	-703	-687	-645	-613	-658	-47
6	Investment income, net ²		7,006	7,501	495	1,788	2,101	1,711	2,205	1,879	1,788	1,021	2,313	323
7	U.S. direct investments abroad	10, 11	0,454	10,233	9,779	2,064	2,584	2,102	2,770	2,324	2,383	2,570	3,018	694
8	Other U.S. investments abroad	12, 13	3,443	3,490	47	377	833	862	861	942	939	854	882	28
9	Foreign investments in the United States	24, 25	-4,003	-5,381	-1,378	-1,129	-1,106	-1,304	-1,366	-1,287	-1,417	-1,503	-1,535	-28
10	Other services, net	7, 8, 9, 21, 22, 23	748	819	71	213	180	182	172	200	192	203	224	21
11	Balance on goods and services ³		730	-1,239	-1,969	392	169	376	-377	-1,343	-1,400	-354	-454	-208
12	Remittances, pensions and other transfers	21, 22	-1,520	-1,557	-37	-245	-303	-402	-404	-380	-383	-368	-416	-48
13	Balance on goods, services and remittances		-778	-5,778	-5,000	637	-341	-226	-381	-1,692	-1,733	-1,293	-1,872	-189
14	U.S. Government grants (excluding military)	30	-2,040	-2,308	-268	-438	-477	-544	-588	-601	-588	-538	-574	4
15	Balance on current account ⁴		-2,810	-7,983	-5,173	201	-698	-770	-1,859	-2,293	-2,418	-1,774	-1,808	164
16	U.S. Government capital flows excluding nonscheduled repayments, net ⁵	34, 35, 36	-2,117	-1,783	334	-800	-881	-442	-385	-330	-200	-500	-601	-62
17	Nonscheduled repayments of U.S. Government assets	37	226	127	-99	4	182	72	48	28	17	7	10	9
18	U.S. Government nonliquid liabilities to other than foreign official reserve agencies		-483	214	697	-97	-6	-188	-168	-101	187	180	-22	-202
19	Long-term private capital flows, net		-4,070	107	4,177	-1,565	-1,583	330	-1,981	750	-364	604	604	604
20	U.S. direct investments abroad	39	-4,783	-2,329	2,454	-1,290	-1,277	-1,410	-788	-1,290	-100	-1,119	-577	259
21	Foreign direct investments in the United States	40	-37	722	759	124	1	574	181	-800	380	287	06	-142
22	Foreign securities	41	-900	619	1,519	-304	-572	-249	73	-363	-864	311	-84	-295
23	U.S. securities other than Treasury issues	42	2,382	4,402	2,020	599	106	600	821	1,007	980	611	1,846	1,287
24	Other, reported by U.S. banks	43	314	-1,192	-1,506	-127	-514	-308	-165	22	-288	-908	-447	-29
25	Other, reported by U.S. nonbanking concerns	44, 51	104	343	239	179	81	-148	108	-151	167	911	116	-96
26	Balance on current account and long-term capital ⁶		-9,283	-9,243	40	-1,423	-3,577	-3,211	-1,772	-4,717	-1,493	-3,346	-1,523	823
27	Nonliquid short-term private capital flows, net		-2,386	-1,634	752	-584	-316	-683	-684	-606	502	-687	-1,211	-704
28	Claims reported by U.S. banks	45	-1,807	-1,630	177	-129	-31	-802	-683	-687	467	-370	-1,040	-670
29	Claims reported by U.S. nonbanking concerns	46	-585	-243	342	-188	-145	-147	-153	-17	103	-91	-239	-147
30	Liabilities reported by U.S. nonbanking concerns	47	-24	138	162	-202	-70	160	161	96	22	-40	67	113
31	Allocations of special drawing rights (SDR) ⁷	68	717	710	-7	180	179	170	179	178	178	177	177	.....
32	Errors and omissions, net	64	-11,064	-3,900	7,164	-900	-2,708	-5,406	-2,082	942	-1,314	-1,826	-1,690	217
33	Net liquidity balance		-22,083	-13,974	8,109	-2,677	-5,721	-5,380	-4,328	-3,308	-2,207	-4,540	-4,165	396
34	Liquid private capital flows, net		-7,789	3,677	11,466	-2,848	-748	-2,631	-1,619	-119	1,389	-173	2,682	2,760
35	Liquid claims		-1,072	-1,189	-117	-272	35	-656	-340	-673	197	-013	-60	803
36	Reported by U.S. banks	48	-646	-739	-93	-82	-302	-112	-533	312	-960	-43	426	426
37	Reported by U.S. nonbanking concerns	49	-426	-450	-24	-170	63	-152	-228	-149	-119	-144	-7	137
38	Liquid liabilities		-6,091	4,816	11,007	-2,579	-840	-1,890	-1,279	564	1,189	440	2,933	2,103
39	To foreign commercial banks		-4,098	3,006	7,104	-2,828	-812	-1,775	-1,313	478	960	316	2,139	1,311
40	To international and regional organizations		682	102	-580	280	198	148	25	25	-72	-31	180	617
41	To other foreigners		-955	800	1,755	-79	-148	-370	-91	13	291	165	320	165
42	Official reserve transactions balance		-25,745	-10,287	15,458	-5,455	-6,468	-11,831	-5,943	-3,224	-531	-4,574	-1,582	3,692
43	Financed by changes in:													
44	Liquid liabilities to foreign official agencies	55	27,615	6,670	-20,945	4,053	5,575	10,919	5,774	2,284	1,027	4,037	1,742	-2,295
45	Other readily marketable liabilities to foreign official agencies ⁸	56	-530	400	930	-201	-100	-173	-5	231	27	34	118	84
46	Nonliquid liabilities to foreign official reserve agencies reported by U.S. Government	57	341	189	-152	-8	-8	-0	300	289	-2	78	-187	-245
47	U.S. official reserve assets, net	58	2,348	32	-2,316	662	669	1,104	-187	420	-281	-85	-111	-68
48	Memoranda:													
49	Transfers under military grant programs (excluded from lines 2, 4, and 14)	14, 28	3,153	4,284	1,131	733	778	701	929	1,206	707	1,323	980	-344
50	Reinvested earnings of foreign incorporated affiliates of U.S. firms (excluded from lines 7 and 20)		3,150	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
51	Reinvested earnings of U.S. incorporated affiliates of foreign firms (excluded from lines 9 and 21)		496	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
52	Gross liquidity balance, excluding allocations of SDR	64, 55, 56, 57, 58, 59	-24,701	-15,823	8,878	-3,629	-5,505	-10,114	-4,348	-3,046	-2,136	-5,304	-4,802	502
NOT SEASONALLY ADJUSTED														
53	Balance on goods and services					1,513	201	-1,225	300	-805	-1,457	-2,292	833	2,825
54	Balance on goods, services and remittances					1,178	-121	-1,738	-100	-1,171	-1,858	-2,671	-60	2,593
55	Balance on current account					713	-819	-2,241	-683	-1,801	-2,425	-3,109	-579	2,690
56	Balance on current account and long-term capital ⁶					-1,288	-3,483	-4,887	97	-3,618	-2,265	-3,781	414	3,190
57	Net liquidity balance					-1,868	-6,612	-10,068	-3,405	-2,880	-3,043	-5,313	-3,248	2,064
58	Official reserve transactions balance					-4,715	-6,462	-12,768	-5,682	-2,500	-741	-5,586	-1,405	4,130

* Preliminary. * Revised. * Less than \$500,000 (a). n.a. Not available.

1. Adjusted to balance of payments basis; excludes exports under U.S. military agency sales contracts and imports of U.S. military agencies.

2. Includes fees and royalties from U.S. direct investments abroad or from foreign direct investments in the United States.

3. Equal to net exports of goods and services in national income and product accounts of the United States.

4. The sum of lines 15 and 31 is equal to "net foreign investment" in the national income and product accounts of the United States.

5. Includes some short-term U.S. Government assets.

6. Includes changes in nonliquid liabilities reported by U.S. banks and in investments by foreign official agencies in debt securities of U.S. Government corporations and agencies, private corporations, and State and local governments.

Notes.—Details may not add to totals because of rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 2.—U.S. International Transactions

(Millions of dollars)

Line	(Credits +; debits -) ¹	1971	1972 *	1971				1972			
				I	II	III	IV	I	II	III	IV
1	Exports of goods and services ²	66,150	74,646	16,290	87,206	16,238	16,975	17,477	27,667	17,647	29,405
2	Merchandise, adjusted, excluding military ³	42,797	48,840	10,913	11,198	10,338	9,096	11,782	11,687	11,589	13,812
3	Transfers under U.S. military agency sales contracts.....	1,823	1,186	176	600	420	410	311	327	339	229
4	Travel.....	2,457	2,706	621	698	747	553	675	707	614	612
5	Passenger fares.....	1,515	1,604	124	167	186	144	123	180	216	160
6	Other transportation.....	942	1,102	497	531	561	409	552	527	400	452
7	Fees and royalties from unaffiliated foreigners.....	3,003	3,732	739	844	848	660	800	940	672	936
8	Other private services.....	821	870	165	158	155	155	165	158	165	165
9	U.S. Government miscellaneous services.....	1,358	1,542	337	338	339	330	327	323	325	325
	U.S. Government miscellaneous services.....	184	413	187	106	104	88	91	196	106	160
	Receipts of income on U.S. investments abroad:										
10	Direct investment fees and royalties.....	2,390	2,245	478	560	504	627	513	668	871	863
11	Direct investment interest, dividends and branch earnings ⁴	7,285	7,818	1,684	1,815	1,471	2,445	1,781	1,719	1,779	2,575
12	Other private assets.....	2,856	2,698	643	817	632	682	674	625	662	666
13	U.S. Government assets.....	587	696	178	227	166	214	204	208	125	227
14	Transfers of goods and services under U.S. military grant programs, net.....	3,183	4,284	734	778	701	939	1,204	797	1,323	359
15	Imports of goods and services.....	-68,440	-77,746	-14,783	-18,871	-17,648	-16,875	-18,280	-19,334	-19,839	-20,312
16	Merchandise, adjusted, excluding military ³	-45,453	-48,656	-10,424	-11,948	-11,610	-11,281	-12,300	-12,686	-13,587	-15,624
17	Direct defense expenditures.....	-4,516	-4,707	-1,176	-1,214	-1,196	-1,280	-1,318	-1,239	-1,101	-1,149
18	Travel.....	-1,704	-1,704	-453	-453	-453	-453	-453	-453	-453	-453
19	Passenger fares.....	-1,294	-1,294	-355	-355	-355	-355	-355	-355	-355	-355
20	Other transportation.....	-5,050	-5,413	-822	-858	-840	-925	-868	-880	-917	-917
21	Fees and royalties to unaffiliated foreigners.....	-126	-135	-32	-32	-32	-32	-32	-32	-32	-32
22	Private payments for other services.....	-748	-860	-182	-182	-182	-182	-182	-182	-182	-182
23	U.S. Government payments for miscellaneous services.....	-781	-886	-154	-152	-152	-152	-152	-152	-152	-152
	Payments of income on foreign investments in the United States:										
24	Direct investment fees and royalties.....	-84	-85	-24	-22	-24	-25	-22	-17	-23	-25
25	Direct investment interest, dividends and branch earnings ⁴	-821	-894	-177	-137	-168	-147	-174	-155	-119	-150
26	Other private liabilities.....	-2,514	-2,518	-635	-635	-635	-635	-635	-635	-635	-635
27	U.S. Government liabilities.....	-1,644	-2,884	-320	-300	-612	-822	-614	-631	-867	-730
28	U.S. military grants of goods and services, net.....	-3,183	-4,284	-734	-778	-701	-939	-1,204	-797	-1,323	-359
29	Unilateral transfers (excluding military grants), net.....	-3,574	-3,744	-889	-908	-918	-883	-898	-878	-877	-812
30	U.S. Government grants (excluding military).....	-2,045	-2,280	-655	-654	-693	-553	-630	-582	-487	-480
31	U.S. Government pensions and other transfers.....	-541	-572	-124	-142	-138	-137	-142	-142	-121	-145
32	Private remittances and other transfers.....	-988	-952	-211	-248	-275	-298	-226	-254	-258	-247
33	U.S. Government capital flows, net.....	-1,882	-1,581	-667	-609	-519	-248	-385	-381	-458	-494
34	Loans and other long-term assets.....	-4,178	-3,815	-1,289	-1,298	-730	-694	-900	-949	-806	-1,153
35	Foreign currencies and other short-term assets, net.....	182	133	80	79	0	17	186	15	8	35
	Repayments on credits:										
36	Scheduled.....	1,578	1,944	586	456	335	581	411	588	340	604
37	Nonscheduled ⁵	226	127	4	102	72	45	88	17	7	30
38	U.S. private capital flows, net.....	-9,781	-8,339	-2,319	-2,746	-2,576	-1,949	-3,220	-818	-1,718	-3,694
39	Direct investments abroad ⁶	-4,785	-3,339	-1,560	-1,657	-1,830	-188	-1,583	-410	-1,068	-302
40	Foreign securities.....	-909	-499	-261	-272	-249	73	-393	-354	211	-84
	Claims reported by U.S. banks:										
41	Long-term.....	-585	-1,250	23	-128	-237	-200	-175	-352	-335	-335
42	Short-term, nonliquid.....	-1,307	-1,530	111	-377	-481	-1,090	-331	175	45	-1,422
43	Short-term, liquid.....	-308	-733	-3	25	-341	-245	-480	300	-414	-190
	Claims reported by U.S. nonbanking concerns:										
44	Long-term.....	-108	-219	-33	-11	-81	-73	-71	-71	-80	-41
45	Short-term, nonliquid.....	-235	-243	-87	-100	-94	-264	49	85	-7	-374
46	Short-term, liquid.....	-308	-406	-224	-3	-143	-31	-290	-157	-128	194
47	Foreign capital flows, net.....	23,485	20,867	2,483	4,763	5,072	6,259	3,958	4,693	6,740	6,536
48	U.S. Government nonliquid liabilities to other than foreign official reserve agencies.....	-480	214	-78	-97	-204	-115	-27	101	144	58
	Other foreign private capital:										
49	Direct investments in the United States ⁷	-67	222	134	1	-374	181	-350	340	287	96
50	U.S. securities other than Treasury issues.....	2,283	4,502	569	108	606	931	1,067	854	611	1,988
51	Other long-term, reported by U.S. nonbanking concerns.....	263	582	164	22	-215	326	-119	168	120	344
52	Short-term, reported by U.S. nonbanking concerns.....	-24	150	-282	-70	156	181	98	22	-46	67
53	Long-term, reported by U.S. banks.....	-548	168	-182	-61	-71	33	200	83	-78	-62
54	U.S. liquid liabilities to private foreigners.....	-6,601	4,818	-2,634	186	-2,153	-2,140	592	2,169	268	1,770
55	U.S. liquid liabilities to foreign official agencies.....	27,615	9,578	4,776	5,788	11,505	5,645	2,398	771	6,321	1,448
56	Other readily marketable liabilities to foreign official agencies ⁸	-339	400	-201	-186	-173	-6	221	27	34	118
57	Nonliquid liabilities to foreign official reserve agencies reported by U.S. Government.....	841	189	-3	-4	-3	260	250	-4	78	-165
58	Transactions in U.S. official reserve assets, net.....	2,449	33	146	838	1,373	-8	-104	-63	122	66
59	Gold.....	386	247	109	450	308	1	544	7	8	.....
60	SDR.....	-240	-708	-592	106	154	-3	-710	7	.....	.....
61	Convertible currencies.....	381	36	372	-68	72	2	64	-245	154	89
62	Gold tranche position in IMF.....	1,350	189	255	252	851	-8	-1	186	-15	-10
63	Allocations of special drawing rights (SDR).....	717	719	787	.....	.....	.....	718	.....	.....	.....
64	Errors and omissions, net.....	-11,064	-3,506	-1,181	-2,542	-8,411	-2,401	722	-1,084	-1,523	-1,384

* Revised. * Preliminary. * Less than \$500,000 (±).

1. Credits, +: Exports of goods and services; unilateral transfers to U.S.; capital inflows (increase in U.S. liabilities or decrease in U.S. assets); decrease in U.S. official reserve assets.

Debits, -: Imports of goods and services; unilateral transfers to foreigners; capital outflows (decrease in U.S. liabilities or increase in U.S. assets); increase in U.S. official reserve assets.

2. Excludes transfers of goods and services under U.S. military grant programs.

3. Excludes exports of goods under U.S. military agency sales contracts identified in Census export documents, and imports of goods included under direct defense expenditures identified

in Census import documents, and reflects various other balance-of-payments adjustments (for valuation, coverage, and timing) to Census statistics; see table 4.

4. Excludes reinvested earnings of foreign incorporated affiliates of U.S. firms or of U.S. incorporated affiliates of foreign firms.

5. Includes sales of foreign obligations to foreigners.

6. Includes changes in nonliquid liabilities reported by U.S. banks and in investments by foreign official agencies in debt securities of U.S. Government corporations and agencies, private corporations, and State and local governments.

NOTE.—Details may not add to totals because of rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 3.—U. S. International Transactions—Seasonally Adjusted

(Millions of dollars)

Line	(Credits+; debits-)	1971				1972			
		I	II	III	IV	I	II	III*	IV*
1	Exports of goods and services ¹	16,435	16,779	17,191	15,767	17,638	17,481	16,471	29,814
2	Merchandise, adjusted, excluding military ²	10,572	10,505	11,027	9,650	11,659	11,551	12,380	13,240
3	Transfers under U.S. military agency sales contracts	510	516	474	433	334	291	251	209
4	Travel	589	590	613	665	651	666	667	785
5	Passenger fares	155	150	189	171	189	173	160	194
6	Other transportation	770	817	814	692	903	904	921	895
7	Fees and royalties from unaffiliated foreigners	155	155	185	155	188	168	168	188
8	Other private services	337	328	339	239	382	383	363	383
9	U.S. Government miscellaneous services	130	105	106	59	94	103	106	109
10	Receipts of income on U.S. investments abroad:								
11	Direct investment fees and royalties	522	523	524	650	550	550	550	642
12	Direct investment interest, dividends and branch earnings ⁴	1,538	1,521	1,535	2,150	1,754	1,533	1,577	2,374
13	Other private assets	623	607	642	610	639	623	691	690
14	U.S. Government assets	225	226	210	236	253	189	163	192
15	Transfers of goods and services under U.S. military grant programs, net	735	779	781	939	1,293	797	1,323	969
16	Imports of goods and services	-15,431	-16,022	-17,005	-15,344	-16,289	-16,816	-16,335	-29,570
17	Merchandise, adjusted, excluding military ²	-10,737	-11,001	-11,914	-11,117	-12,490	-12,368	-12,905	-14,923
18	Direct defense expenditures	-1,175	-1,214	-1,196	-1,230	-1,218	-1,220	-1,101	-1,149
19	Travel	-1,030	-1,082	-1,033	-1,120	-1,178	-1,211	-1,122	-1,231
20	Passenger fares	-267	-310	-306	-372	-380	-371	-384	-424
21	Other transportation	-715	-781	-813	-730	-848	-799	-804	-812
22	Fees and royalties to unaffiliated foreigners	-32	-32	-32	-32	-35	-35	-34	-34
23	Private payments for other services	-132	-180	-187	-186	-210	-216	-214	-211
24	U.S. Government payments for miscellaneous services	-170	-194	-196	-193	-199	-210	-208	-191
25	Payments of income on foreign investments in the United States:								
26	Direct investment fees and royalties	-24	-22	-34	-25	-23	-17	-23	-25
27	Direct investment interest, dividends and branch earnings ⁴	-151	-162	-170	-128	-167	-172	-179	-147
28	Other private liabilities	-528	-545	-573	-580	-584	-588	-553	-596
29	U.S. Government liabilities	-326	-357	-387	-394	-423	-423	-719	-717
30	U.S. military grants of goods and services, net	-715	-779	-781	-939	-1,293	-797	-1,323	-969
31	Unilateral transfers (excluding military grants), net	-791	-846	-846	-992	-890	-918	-906	-956
32	U.S. Government grants (excluding military)	-438	-477	-544	-585	-601	-636	-638	-634
33	U.S. Government pensions and other transfers	-124	-142	-136	-137	-142	-142	-121	-146
34	Private remittances and other transfers	-231	-227	-266	-267	-247	-241	-247	-250
35	U.S. Government capital flows, net	-646	-679	-670	-637	-643	-652	-602	-585
36	Loans and other long-term assets	-1,100	-1,257	-871	-915	-756	-610	-948	-1,294
37	Foreign currencies and other short-term assets, net	-48	180	33	80	-43	75	24	98
38	Repayments on credits:								
39	Scheduled	588	437	397	480	489	568	498	505
40	Nonscheduled ⁵	4	102	72	49	88	17	7	10
41	U.S. private capital flows, net	-2,283	-1,954	-2,521	-2,164	-3,193	-119	-2,344	-2,635
42	Direct investments abroad ⁴	-1,200	-1,277	-1,410	-788	-1,284	-100	-1,118	-857
43	Foreign securities	-841	-673	-240	73	-399	-364	211	-54
44	Claims reported by U.S. banks:								
45	Long-term	25	-158	-287	-200	-178	-362	-338	-388
46	Short-term, nonliquid	-139	-91	-802	-685	-587	497	-370	-1,049
47	Short-term, liquid	-94	32	-392	-112	-553	312	-460	-52
48	Claims reported by U.S. nonbanking concerns:								
49	Long-term	-33	-11	-31	-34	-78	-71	-30	-41
50	Short-term, nonliquid	-133	-145	-147	-130	-17	103	-91	-258
51	Short-term, liquid	-178	83	-183	-228	-140	-115	-144	-7
52	Foreign capital flows, net	2,548	5,091	8,783	6,300	4,278	4,047	6,319	4,428
53	U.S. Government nonliquid liabilities to other than foreign official reserve agencies	-67	-4	-189	-194	-191	147	180	-22
54	Other foreign private capital:								
55	Direct investments in the United States ⁴	124	1	-374	151	-300	350	237	85
56	U.S. securities other than Treasury issues	550	196	606	921	1,007	956	811	1,868
57	Other long-term, reported by U.S. nonbanking concerns	296	72	-117	142	-73	238	241	166
58	Short-term, reported by U.S. nonbanking concerns	-282	-70	106	161	95	22	-46	67
59	Long-term, reported by U.S. banks	-192	-61	-71	25	209	83	-73	-62
60	U.S. liquid liabilities to private foreigners	-2,575	-240	-1,990	-1,570	554	2,180	440	2,683
61	U.S. liquid liabilities to foreign official agencies	4,082	5,975	10,910	5,774	2,204	1,027	4,517	1,742
62	Other readily marketable liabilities to foreign official agencies ⁴	-201	-169	-173	-6	221	27	34	118
63	Nonliquid liabilities to foreign official reserve agencies reported by U.S. Government	-6	-8	-9	366	280	-2	78	-167
64	Transactions in U.S. official reserve assets, net	682	659	1,194	-127	429	-231	-55	-111
65	Gold	109	456	300	1	544		3	
66	SDR	-55	17	-26	-182	-178	-171	-177	-177
67	Convertible currencies	578	-68	72	2	64	-246	134	82
68	Gold tranche position in IMF	255	252	351	-6	185	-15	-15	-15
69	Allocations of special drawing rights (SDR)	190	179	179	179	178	178	177	177
70	Errors and omissions, net	-299	-2,786	-5,445	-2,862	942	-1,314	-1,825	-1,488

* Revised. * Preliminary.

1. Credits, +; Exports of goods and services; unilateral transfers to U.S.; capital inflows (increase in U.S. liabilities or decrease in U.S. assets); decrease in U.S. official reserve assets.

Debits, -; Imports of goods and services; unilateral transfers to foreigners; capital outflows (decrease in U.S. liabilities or increase in U.S. assets); increase in U.S. official reserve assets.

2. Excludes transfers of goods and services under U.S. military grant programs.

3. Excludes exports of goods under U.S. military agency sales contracts identified in Census report documents, and imports of goods included under direct defense expenditures identified

in Census import documents, and reflects various other balance-of-payments adjustments (for valuation, coverage, and timing) to Census statistics; see table 4.

4. Excludes reinvested earnings of foreign incorporated affiliates of U.S. firms or of U.S. incorporated affiliates of foreign firms.

5. Includes sales of foreign obligations to foreigners.

6. Includes changes in nonliquid liabilities reported by U.S. banks and in investments by foreign official agencies in debt securities of U.S. Government corporations and agencies, private corporations, and State and local governments.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.—U.S. Merchandise Trade

(Millions of dollars)

Line		1971 *	1972 *	Not seasonally adjusted								Seasonally adjusted							
				1971 *				1972				1971 *				1972			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
EXPORTS																			
1	Merchandise exports, Census basis, including reexports and military grant shipments.....	44,130	49,788	11,216	11,581	11,079	10,244	12,827	12,179	11,713	13,849	11,215	11,208	11,281	9,886	11,982	11,812	12,544	13,427
2	Merchandise exports, Census basis, including reexports, excluding military grant shipments.....	43,549	49,369	11,116	11,406	10,924	10,103	11,891	12,041	11,555	13,718	11,066	11,050	11,726	9,745	11,767	11,674	12,429	13,351
3	Regular additions to Census exports.....	483	472	101	138	15	111	115	122	121	114	105	131	17	110	119	116	125	112
3a	Private gift parcel remittances.....	75	86	17	20	18	20	31	23	20	28	17	30	18	20	21	22	20	23
3b	Virgin Islands exports to foreign countries.....	24	26	3	12	5	6	6	4	7	6	3	12	5	6	8	4	9	6
3c	Gold exports, nonmonetary.....	25	27	8	10	5	3	4	4	10	9	8	10	5	2	4	5	10	9
3d	Inland freight (to Canada) valuation adjustment.....	283	334	65	74	80	70	75	84	81	81	68	89	71	75	79	83	80	80
3e	Other regular additions.....	34	-2	8	20	-2	7	7	8	8	-10	9	20	-2	7	7	3	8	-15
4	Regular deductions from Census exports.....	27	30	6	7	7	7	6	3	7	7	6	7	7	7	8	8	7	7
5	Special adjustments, net.....		30							80		-14	-14	-15	-15	-2	-3	27	-4
5a	Of which: quarterly allocation of annual seasonal adjustment discrepancy.....											-14	-14	-15	-15	-2	-3	-3	-4
6	Equals: Merchandise exports adjusted to balance of payments basis, including "military".....	44,968	49,689	11,211	11,535	11,012	10,267	11,991	12,155	11,763	13,825	11,170	11,160	11,591	9,834	11,975	11,778	12,574	13,457
7	Less: Merchandise exports transferred under U.S. military agency sales contracts identified in Census documents.....	1,179	610	238	355	274	261	236	210	194	212	268	368	274	351	316	318	194	212
8	Equals: Merchandise exports, adjusted to balance of payments basis, excluding "military" (table 2, line 2).....	42,787	49,079	10,973	11,180	10,738	9,996	11,755	11,945	11,569	13,613	10,902	10,892	11,317	9,483	11,659	11,460	12,380	13,245
IMPORTS																			
9	Merchandise imports, Census basis (general imports).....	45,543	55,554	10,818	12,004	11,777	11,264	10,382	13,736	13,536	14,911	14,793	11,718	13,424	10,494	13,423	13,553	13,897	14,874
10	Regular additions to Census imports.....	638	920	118	150	185	183	166	175	231	206	118	150	165	183	165	175	251	206
10a	Virgin Islands imports from foreign countries.....	368	424	64	88	120	113	117	88	140	70	64	80	120	113	117	88	140	70
10b	Gold imports, nonmonetary.....	221	357	47	54	57	68	62	78	181	116	47	54	57	69	62	78	101	116
10c	Other regular additions.....	29	39	7	7	8	7	9	0	10	17	7	7	8	7	8	9	10	11
11	Regular deductions from Census imports.....	581	635	137	157	111	158	134	187	114	184	128	133	163	187	141	181	187	160
11a	Automotive valuation adjustment.....	557	638	126	155	110	158	149	187	113	184	127	131	162	187	140	181	189	160
11b	Other regular deductions.....	4	9	1	2	1	(*)	1	(*)	1	(*)	1	2	1	(*)	1	(*)	1	(*)
12	Special adjustments, net.....		34					59	-3	-80	40	9	9	8	7	52	-3	-30	69
12a	Of which: quarterly allocation of annual seasonal adjustment discrepancy.....											9	9	8	7				-2
13	Equals: Merchandise imports, adjusted to balance of payments basis, including "military".....	45,036	55,524	10,700	11,857	11,666	11,391	10,392	13,721	13,656	14,978	14,782	11,744	13,492	10,494	13,423	13,553	13,961	14,977
14	Less: Merchandise imports of U.S. military agencies identified in Census documents.....	136	168	66	49	41	30	32	34	40	54	60	49	41	39	32	38	46	34
15	Equals: Merchandise imports, adjusted to balance of payments basis, excluding "military" (table 2, line 10).....	44,900	55,356	10,634	11,808	11,625	11,361	10,360	13,687	13,616	14,924	14,723	11,695	13,451	10,455	13,391	13,515	13,915	14,943
BALANCE																			
16	Balance on merchandise trade, adjusted to balance of payments basis, including "military" (line 6 less line 13) (export surplus +).....	-1,679	-6,144	712	-662	-826	-1,064	-1,394	-1,566	-1,983	-1,233	374	-584	-164	-1,313	-1,647	-1,838	-1,377	-1,525
17	Balance on merchandise trade, adjusted to balance of payments basis, excluding "military" (line 8 less line 15) (export surplus +).....	-2,646	-5,936	479	-762	-1,072	-1,395	-1,578	-1,748	-2,079	-1,411	145	-830	-387	-1,530	-1,831	-1,777	-1,638	-1,560
TRADE BY END-USE																			
18	Merchandise exports, Census basis, including military grant shipments (line 1).....	44,130	49,788	11,216	11,581	11,079	10,244	12,827	12,179	11,713	13,849	11,215	11,208	11,281	9,886	11,982	11,812	12,544	13,427
18a	Agricultural products.....	7,794	8,689	2,017	1,990	1,805	1,084	2,178	2,107	2,099	3,124	2,074	1,833	2,178	1,644	2,190	2,178	2,337	2,694
18b	Nonagricultural products.....	36,334	40,200	9,199	9,591	9,184	9,160	10,649	10,072	9,614	10,725	9,141	9,375	9,103	8,242	9,792	9,634	10,197	10,733
18c	Excluding military grant shipments.....	35,743	39,609	9,049	9,510	9,029	9,149	10,718	10,034	9,504	10,594	9,011	9,097	9,070	8,081	9,683	9,495	10,042	10,557
19	Food, feeds, and beverages.....	6,654	7,452	1,835	1,460	1,428	1,096	1,558	1,726	1,733	2,490	1,694	1,489	1,738	1,316	1,615	1,795	1,918	2,119
20	Grains and preparations.....	2,908	4,036	815	706	789	678	750	894	1,052	1,331	824	750	766	617	781	833	1,091	1,238
21	Soybeans.....	1,357	1,983	318	308	308	308	348	342	381	537	335	310	437	281	384	341	357	422
22	Other foods, feeds, and beverages.....	1,750	1,528	402	424	409	283	456	488	447	612	459	429	415	438	470	418	470	457
23	Industrial supplies and materials.....	12,991	13,882	3,242	3,254	3,444	2,842	3,495	3,279	3,353	3,554	3,797	3,381	3,554	2,571	3,409	3,299	3,470	3,791
24	Fuels and lubricants.....	1,703	1,708	407	388	399	308	403	428	429	452	464	463	483	204	458	466	413	434
25	Paper and paper base stocks.....	1,086	1,122	277	281	200	232	267	209	294	302	285	278	301	228	278	272	285	284
26	Textile supplies and materials.....	1,303	1,335	372	340	301	201	406	330	251	419	314	322	375	286	384	286	301	354
27	Raw cotton, including lint.....	389	585	194	163	184	180	152	99	42	174	141	142	161	138	128	81	78	125
28	Tobacco, unmanufactured.....	403	639	118	123	154	88	217	103	135	195	185	145	167	35	229	111	147	125
29	Chemicals, excluding medicines.....	2,084	2,228	710	774	127	671	808	781	702	806	708	759	677	578	801	748	840	861
30	Other nonmetals (gums, tallow, minerals, wood, rubber, lime, etc.).....	2,708	3,308	687	692	664	664	773	739	816	103	673	686	678	632	736	772	870	890
31	Steelmaking materials.....	263	280	72	76	70	44	47	61	81	91	91	71	61	45	80	57	70	91
32	Iron and steel products.....	663	600	239	248	243	224	247	240	280	269	242	238	249	224	261	232	254	234
33	Other metals, primary and advanced, including advanced steel.....	1,280	1,290	361	337	284	218	118	307	317	358	382	327	285	249	308	201	325	385
34	Capital goods, except automobiles.....	13,519	16,679	3,865	3,581	3,618	3,846	4,284	4,209	3,859	4,389	3,819	3,778	3,532	2,679	4,961	4,012	4,187	4,441
35	Machinery, except consumer-type.....	11,502	13,185	2,903	2,080	2,689	2,754	3,332	3,303	3,138	3,464	2,964	2,570	2,035	2,729	3,189	3,170	3,263	3,491
36	Electrical and electronic, and parts and attachments.....	2,110	2,514	621	632	633	524	628	621	605	687	634	507	565	514	629	618	641	685
37	Nonmetallic, and parts and attachments.....	0,482	10,579	2,442	2,454	2,253	2,350	2,894	2,883	2,331	2,777	2,440	2,383	2,470	2,206	2,573	2,886	2,664	2,790
38	Construction machinery and nonfarm tractors and parts.....	1,888	2,131	494	474	418	517	581	514	538	494	489	485	415	521	534	527	535	582
39	Textile and other specialized industry machinery and parts.....	648	943	223	233	226	203	244	229	229	261	234	225	235	192	253	222	236	232
40	Other industrial machinery and parts, n.e.c.....	3,090	4,340	1,017	991	1,008	922	1,077	1,074	1,032	1,123	1,000	858	1,035	1,020	1,053	1,044	1,074	1,134
41	Agricultural machinery and farm tractors and parts.....	861	483	95	182	80	89	113	137	115	120	81	88	98	66	106	119	129	138
42	Business and office machines, computers, etc., and parts.....	1,701	1,838	449	424	392	437	457	433	434	386	441	420	424	400	441	455	466	475
43	Scientific, professional, and service industry equipment.....	736	871	18															

Table 4—U.S. Merchandise Trade—Continued

(Millions of dollars)

Line		1971	1972	Not seasonally adjusted								Seasonally adjusted							
				1971				1972				1971				1972			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
46	Automotive vehicles, parts, and engines.....	3,396	5,125	1,009	1,220	1,008	1,070	1,211	1,334	1,347	1,422	1,094	1,107	1,183	1,237	1,194	1,267	1,336	1,408
47	To Canada.....	3,210	5,006	789	918	695	810	903	1,031	1,077	1,122	812	840	840	880	801	828	1,041	1,070
48	To all other areas.....	1,186	1,219	317	302	313	260	308	303	270	300	282	285	343	357	393	439	295	338
49	Passenger cars, new and used.....	1,180	1,322	260	333	289	282	287	364	374	418	281	332	339	257	279	311	356	383
50	Trucks, buses, and special vehicles.....	601	686	149	164	158	121	157	174	176	259	159	149	107	130	168	160	168	208
51	Parts, bodies, and accessories, including engines and parts, n.e.c.....	2,012	3,117	680	702	603	647	708	818	718	816	603	636	687	638	709	737	812	819
52	Consumer goods (nonfood), except automotive.....	1,847	3,491	673	734	797	682	631	963	883	935	577	609	623	647	639	835	691	938
53	Consumer durables, manufactured.....	1,038	1,447	248	280	282	280	339	362	348	387	249	261	304	270	336	332	368	388
54	Consumer nondurables, manufactured.....	1,038	1,838	393	420	478	397	452	451	470	484	308	406	483	342	444	438	473	609
55	Unmanufactured consumer goods (farm, stocks, precious and semiprecious).....	133	185	32	35	30	36	40	48	44	54	30	33	34	36	38	46	60	52
56	Special category (military-type goods).....	1,490	1,200	363	445	362	321	286	311	319	293	353	445	382	321	350	311	378	294
57	Exports, n.e.c., and reexports.....	1,533	1,983	368	426	367	372	402	486	452	487	377	363	387	344	406	442	472	489
58	Domestic (low-value, miscellaneous).....	865	1,009	214	242	221	219	237	282	253	266	216	236	231	216	236	246	203	206
59	Foreign (reexports).....	668	709	164	184	147	154	165	214	199	221	162	169	156	150	172	197	209	220
60	Merchandise imports, Census basis (line 2).....	45,563	65,595	10,518	12,004	11,777	11,254	12,382	13,736	12,626	14,991	10,783	11,738	11,824	11,094	12,423	13,263	14,897	14,574
61	Food, feeds, and beverages.....	6,368	7,287	1,479	1,592	1,695	1,313	1,784	1,730	1,583	1,961	1,548	1,584	1,878	1,590	1,878	1,719	1,823	1,897
62	Coffee, cocoa, and sugar.....	2,111	2,167	469	551	637	396	563	498	584	632	628	571	637	588	685	508	527	642
63	Grain, cotton, and oilseeds.....	1,167	1,182	283	308	297	198	300	235	221	318	293	326	278	164	209	255	208	314
64	Cattle, sheep, and swine.....	764	894	147	210	248	198	253	220	221	177	187	108	243	164	250	208	199	188
65	Other foods, feeds, and beverages.....	4,253	5,101	871	1,133	1,207	940	1,159	1,234	1,230	1,420	1,061	1,113	1,243	892	1,233	1,213	1,296	1,388
66	Industrial supplies and materials.....	15,884	24,323	3,853	4,512	4,299	4,119	4,789	4,880	4,432	5,521	3,944	4,422	4,484	4,028	4,830	4,873	5,096	5,529
67	Fuels and lubricants.....	2,782	4,583	618	883	972	1,058	1,236	1,129	1,209	1,299	772	940	1,004	1,049	1,104	1,196	1,267	1,911
68	Paper and paper base stocks.....	1,881	1,756	383	424	403	420	431	443	437	465	394	431	410	410	426	439	444	443
69	Materials associated with nondurable goods and farm output, n.e.c.....	3,183	3,708	803	879	836	680	984	932	862	926	756	874	862	684	922	890	942	990
70	Textile supplies and materials.....	1,411	1,940	343	383	373	313	403	373	381	382	326	370	375	334	349	349	392	407
71	Tobacco, unmanufactured.....	89	157	34	31	18	6	33	46	10	40	21	24	33	11	32	35	35	69
72	Chemicals, excluding medicinals.....	966	1,120	242	260	260	174	250	292	268	282	281	240	253	187	275	266	286	304
73	Other (dyes, copers, materials for making photos, drugs, dyes).....	690	877	183	193	186	148	227	229	196	223	178	161	176	189	231	218	209	217
74	Building materials, except metals.....	1,384	1,068	281	346	382	316	410	480	500	560	280	328	361	359	449	461	488	572
75	Materials associated with durable goods output, n.e.c.....	7,065	8,023	1,560	1,076	1,880	1,038	1,747	2,000	2,026	2,240	1,742	1,822	1,810	1,608	1,923	1,908	1,978	2,204
76	Steelmaking materials.....	714	788	120	221	220	123	117	180	227	229	186	206	174	141	188	179	184	213
77	Iron and steel products.....	2,871	3,078	606	804	773	688	668	717	636	829	705	781	718	638	681	604	793	896
78	Other metals, primary and advanced, including advanced steel.....	2,408	2,830	377	662	626	542	706	778	657	779	398	624	641	545	718	732	634	773
79	Nonmetals (gums, oils, resins, minerals, rubber, tires, etc.).....	1,074	1,284	263	290	278	253	338	318	305	329	254	281	280	254	340	300	314	330
80	Capital goods, except automotive.....	4,127	5,572	1,030	1,098	1,043	976	1,371	1,337	1,122	1,193	926	1,056	1,078	999	1,333	1,318	1,334	1,825
81	Machinery, except consumer-type.....	3,060	5,183	682	1,039	970	938	1,282	1,267	1,234	1,342	938	1,080	1,098	950	1,333	1,228	1,266	1,825
82	Electrical and electronic, and parts and attachments.....	1,147	1,588	294	302	290	202	268	381	400	444	267	295	292	202	360	371	411	418
83	Non-electrical, and parts and attachments.....	2,742	3,048	688	739	690	634	823	903	824	888	671	694	714	667	998	867	875	937
84	Construction, textile and other specialized industry machinery and nonfarm tractors and parts.....	602	908	169	178	103	161	240	228	216	228	158	175	109	169	282	225	217	233
85	Other industrial machinery and parts, n.e.c.....	910	1,144	240	269	223	194	282	263	276	303	248	244	230	202	273	260	280	316
86	Agricultural machinery and farm tractors and parts.....	384	407	106	102	67	70	133	139	169	117	92	80	90	84	118	121	127	142
87	Business and office machines, computers, etc., and parts.....	531	662	120	131	120	143	180	171	189	169	128	128	136	143	186	163	166	167
88	Scientific, professional, and service industry equipment and parts; and miscellaneous transportation equipment.....	238	337	57	61	60	61	79	80	85	92	60	60	59	58	80	79	87	80
89	Civilian aircraft, engines, parts.....	328	428	56	66	64	40	98	110	98	140	26	64	46	38	110	108	140	140
90	Civilian aircraft, complete, all types.....	40	58	12	12	8	6	16	19	34	35	12	13	9	4	16	12	14	16
91	Automotive vehicles, parts, and engines.....	2,917	9,307	1,884	2,388	1,733	2,151	2,319	2,608	1,899	2,542	1,829	1,829	2,123	2,069	2,224	2,308	2,283	2,494
92	From Canada.....	4,532	5,241	1,024	1,113	842	1,283	1,280	1,467	1,091	1,604	1,076	1,096	1,091	1,171	1,248	1,318	1,276	1,392
93	From Canada, transactions value ¹	5,074	4,608	808	1,048	878	1,197	1,187	1,380	871	1,380	828	845	1,013	1,034	1,108	1,127	1,168	1,280
94	From all other areas.....	2,285	4,060	860	847	891	368	1,033	1,041	914	1,068	753	827	919	898	976	990	1,006	1,102
95	Passenger cars, new and used.....	6,091	5,710	1,241	1,810	1,141	1,380	1,810	1,582	1,074	1,545	1,172	1,220	1,406	1,321	1,300	1,303	1,260	1,555
96	Trucks, buses, and special vehicles.....	835	1,120	170	196	186	270	226	302	268	331	186	200	211	223	244	214	234	270
97	Parts, bodies, and accessories, including engines and parts, n.e.c.....	1,591	2,468	482	601	455	652	604	624	555	684	471	486	608	605	661	627	660	660
98	Consumer goods (nonfood), except automotive.....	5,553	11,355	1,193	2,205	2,187	2,294	2,439	3,769	3,036	2,282	2,054	2,217	2,067	2,274	2,604	2,703	2,879	2,925
99	Consumer durables, manufactured.....	4,023	6,460	1,000	1,272	1,114	1,347	1,471	1,671	1,613	1,733	1,100	1,223	1,058	1,236	1,583	1,564	1,641	1,670
100	Consumer nondurables, manufactured.....	3,210	4,123	703	892	943	949	980	946	1,154	1,035	810	848	807	844	1,011	958	1,043	1,065
101	Unmanufactured consumer goods (farm, nursery stock).....	668	792	131	161	140	142	178	185	180	212	136	148	144	134	181	182	107	291
102	Imports, n.e.c. (low value, goods returned, military aircraft, movies, exhibits).....	1,627	1,742	400	417	401	409	483	421	435	486	424	477	382	384	416	421	414	472

1. Revised. 2. Preliminary. 3. Less than \$500,000.

4. Mainly net additions to or liquidations of U.S.-owned grains stored in Canada, and exports of electrical energy.

5. Mainly exports of exposed motion picture film for rental rather than sale.

6. Irregular and occasional adjustments; valuation adjustments for goods considered to be underpriced or overpriced in Census data; timing adjustments for goods recorded in Census data in one period but found to have been shipped in another; and coverage adjustments for special situations in which shipments were omitted from Census data.

7. Correction for discrepancy between sum of four quarters, seasonally adjusted, and the unadjusted recorded annual totals.

8. Exports of military equipment under U.S. military agency sales contracts with foreign governments to the extent such exports are identifiable from Census export documents. These exports are included in table 2, line 8: "Transfers under U.S. military agency sales contracts."

9. Mainly imports of electrical energy.

10. Mainly foreign charges for repair of U.S. vessels abroad, which are included in tables 3, 7, and 8, line 29 (other transportation).

11. Merchandise imported directly by the Department of Defense, as well as "defense"

imports of the Coast Guard and Atomic Energy Commission, to the extent such imports are identifiable from Census import documents and verifiable from separate reports of the importing agencies. These imports are included in tables 2, 3, and 8, line 17: "Direct defense expenditures."

12. Includes nuclear fuel materials and tools, formerly in exports of "other metals"—(1.33) and in imports of "steelmaking materials"—(1.78).

13. The statistical identification of automotive products imports from Canada (lines 91, 92) which are definitively classified for duty-free status under the United States-Canada Automotive Products Trade Act, is more complete and comprehensive than the identification of automotive products exports to Canada (for automotive export and import trade with all other areas). The less comprehensive identification of U.S. trade statistics on automotive exports to Canada results in an undercounting of such exports (line 47) which—estimated from examination of Canada's import statistics—amounted to over \$480 million annually in both 1971 and 1972.

NOTE.—Details may not add to totals because of rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 5.—Major U.S. Government Transactions

(Millions of dollars)

Line		1971	1972*	1971				1972			
				I	II	III	IV	I	II	III	IV
A. 1	U.S. Government grants (excluding military) and capital flows increasing Government assets, total (table 2, lines 33, 34, and 35, with sign reversed).....	6,441	5,550	1,444	1,741	1,227	1,425	1,433	1,514	1,294	1,517
1a	Seasonally adjusted.....			1,611	1,493	1,083	1,443	1,400	1,370	1,440	1,540
	By category.....										
2	Grants, net.....	2,045	2,205	465	524	603	558	636	562	497	490
3	Credits repayable in foreign currencies.....	156	80	90	24	19	23	20	14	10	35
4	Other foreign currency assets (excluding administrative cash holdings), net.....	-182	-155	-54	-58	2	-50	-33	25	-65	-62
	Receipts from—.....										
5	Sales of agricultural commodities.....	164	75	30	63	26	36	42	32	1	1
6	Interest.....	121	190	40	55	38	47	48	49	40	63
7	Repayments of principal.....	157	241	35	43	34	45	49	44	46	111
8	Reverse grants.....	1	1	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
9	Other sources.....	8	19	1	3	2	2	3	3	0	2
	Less disbursements for—.....										
10	Grants in the recipient's currency.....	245	264	44	102	19	31	79	9	57	120
11	Credits in the recipient's currency.....	128	40	54	15	14	16	15	11	6	21
12	Other grants and credits.....	8	9	2	3	1	2	2	2	1	2
13	Other U.S. Government expenditures.....	310	339	70	94	81	78	81	94	84	84
14	Capital subscriptions to international and regional organizations, excluding IMF.....	240	271	25	49	60	64	44	59	48	110
15	Credits repayable in U.S. dollars.....	3,172	3,453	1,134	1,219	612	607	844	866	735	1,008
16	Other assets (including changes in administrative cash holdings), net.....	4	-16	4	-25	-8	33	-73	-40	49	27
	By program.....										
17	Under farm product disposal programs.....	1,151	1,238	296	429	134	249	287	427	294	319
18	Under Foreign Assistance Acts and related programs.....	2,626	2,290	786	763	568	569	619	627	610	502
19	Under Export-Import Bank Act.....	1,423	1,207	481	394	238	270	401	305	268	237
20	Capital subscriptions to international and regional organizations, excluding IMF.....	240	271	25	49	60	64	44	59	48	110
21	Other assistance programs.....	686	715	142	138	87	100	122	110	214	262
22	Other foreign currency assets acquired (lines A.6, A.7, and A.9).....	240	455	70	101	75	64	100	96	92	185
23	Less foreign currencies used by U.S. Government other than for grants or credits (line A.13).....	310	339	70	94	81	78	81	94	84	84
24	Advances under Exchange Stabilization Fund agreements, net.....										
25	Other (including changes in administrative cash holdings), net.....	2	-38	5	-25	-8	33	-73	-40	49	27
	By disposition.....										
26	Estimated transactions involving no direct dollar outflow from the United States.....	5,100	4,691	1,480	1,564	660	1,147	1,239	1,284	1,045	1,272
27	Expenditures on U.S. merchandise.....	3,322	3,105	803	1,078	720	731	615	640	586	704
28	Expenditures on U.S. services.....	318	799	212	231	187	210	193	230	161	215
29	Military sales contracts financed by U.S. Government credits ¹ (line B.14).....	907	490	246	240	88	48	75	154	124	128
30	U.S. Government credits to repay prior U.S. Government credits ²	306	281	216	48	43	60	50	44	55	124
31	U.S. Government credits ³ to repay prior U.S. private credits.....	482	679	106	121	60	145	139	86	167	164
32	Increase in claims on U.S. Government associated with Government grants and capital flows increasing Government assets (including changes in retained accounts) (line B.17).....	26	18	6	-5	1	23	9	13	-2	(*)
33	Less foreign currencies used by U.S. Government other than for grants or credits (line A.13).....	210	339	70	94	81	78	81	94	84	84
34	Less dollar recoveries on short-term claims financing military sales contracts and U.S. Government credits to repay private credits ⁴	132	134	30	62	25	20	73	13	10	87
35	Estimated dollar payments to foreign countries and international and regional organizations through U.S. Government grants and capital flows increasing Government assets.....	691	1,060	164	177	208	282	203	232	270	245
B. 1	Nonliquid liabilities reported by U.S. Government, including medium-term securities and long-term obligations payable prior to maturity only under special conditions, net increase (+).....	-145	443	-78	-101	-247	235	193	97	232	-103
1a	Seasonally adjusted.....			-105	-13	-107	170	179	155	208	-188
2	To foreign official reserve agencies (table 2, line 57).....	341	185	-3	-4	-3	350	280	-4	78	-365
2a	Seasonally adjusted.....			-3	-3	-6	350	280	-2	78	-365
3	U.S. Treasury securities issued in connection with Columbia River downstream rights.....	-24					-24				
4	U.S. Treasury securities issued in connection with prepayments for military purchases in the United States (line B.13).....	-3				-1	-1				
5	U.S. Treasury obligations to be liquidated against U.S. claims.....	-4	-4		-4				-4		
6	U.S. Treasury securities not included elsewhere ¹	375	197			375	282		80		-186
7	Export-Import Bank obligations to be liquidated against U.S. claims.....	-4	-4	-2		-2			-2		
8	Export-Import Bank securities not included elsewhere.....										
9	Other.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
10	To other official and private foreigners (table 2, line 48).....	-484	284	-78	-97	-244	-115	-37	101	144	55
10a	Seasonally adjusted.....			-78	-97	-244	-115	-37	101	144	55
11	Associated with military sales contracts ¹	-436	347	-72	-203	-201	-130	-67	91	149	204
11a	Seasonally adjusted.....			-69	-111	-145	-220	-111	149	185	180
12	U.S. Government receipts from foreign governments (including principal repayments on credits financing military sales contracts), net of refunds.....	1,040	1,206	204	270	214	358	243	274	325	455
13	Less U.S. Treasury securities issued in connection with prepayments for military purchases in the United States (line B.4).....	-2				-1	-1				
14	Plus military sales contracts financed by U.S. Government credits ¹ (line A.29).....	907	490	246	240	88	48	75	154	124	128
15	Less U.S. Government receipts from principal repayments ²	340	274	45	122	63	124	103	110	72	79
16	Less transfers of goods and services (including transfers financed by credits) (table 2, line 3).....	1,722	1,196	478	600	429	419	311	327	278	290
17	Associated with U.S. Government grants and capital flows increasing Government assets ³ (line A.32).....	36	19	6	-3	1	25	0	13	-2	(*)
17a	Seasonally adjusted.....			6	-3	1	25	0	13	-2	(*)
18	Non-interest-bearing securities issued to IDA, to IDB, or to U.N. for special programs.....	26	19	5	-3	1	25	0	10	(*)	(*)
19	Foreign funds retained in U.S. Government accounts for purchases in the United States.....	(*)	1	(*)	(*)	(*)	(*)	(*)	3	(*)	(*)
20	Other.....	103	-152	-4	111	-4	(*)	1	-3	-3	-148
21	Other.....										
21a	Seasonally adjusted.....										
22	German Government 10-year loan to U.S. Government.....	100		100							
23	Associated with U.S. Government nonmilitary sales and miscellaneous operations.....	-5	-1	-4	6	-5	-2	1	-4	-3	-4
24	U.S. Treasury securities not included elsewhere ¹	8	-151	(*)	6	1	1	1	1	-1	-151
25	Export-Import Bank securities not included elsewhere.....										

* Revised. * Preliminary. * Less than \$500,000 (±).

1. The identification of transactions involving direct dollar outflow from the United States is made in reports by the operating agency. However, such data for all quarters 1971 and for first, third, and fourth quarters 1972 are only extrapolated estimates by BEA, because of incomplete reports from one operating agency, and are to be revised in future issues of the Survey.

2. Line A.28 includes foreign currency collected as interest and line A.30 includes foreign currency collected as principal, as recorded in lines A.6 and A.7.

3. Lines A.29 and A.31 include some short-term U.S. Government claims, collections of which are recorded in line A.24. Collections of those short-term claims recorded in lines A.29 and A.31 are included in line B.13.

4. Consists of transfers of military goods and services financed by U.S. Government credits and of advance payments to the Defense Department (on military sales contracts) financed by credits extended to foreigners by U.S. Government agencies.

5. Includes securities payable in U.S. dollars and in convertible foreign currencies.

6. Transactions under military sales contracts are those in which the Defense Department sells and transfers military goods and services to a foreign purchaser, on a cash or credit basis. The entries for the several categories of transactions related to military sales contracts in this and the other tables are partially extracted from incomplete data.

7. Consists of transfers of military goods and services financed by U.S. Government credits (included in line B.13) and of increases in Defense Department liabilities for military sales contracts which arise from advance payments to the Defense Department financed by credits to foreigners by U.S. Government.

8. Includes liabilities associated with military sales contracts financed by U.S. Government credits and included in line B.11.

NOTE.—Details may not add to totals because of rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 6.—Direct Investments and Securities Transactions

(Millions of dollars)

Line	(Credit-; debits-)	1971	1972*	1971				1972			
				I	II	III	IV	I	II	III	IV
1	U.S. direct investments abroad (table 2, line 26).....	-4,765	-3,339	-1,546	-1,587	-1,330	-188	-1,661	-410	-1,066	-383
2	Transactions with foreign incorporated affiliates.....	-3,577	n.a.	-1,371	-1,110	-1,181	-16	-1,329	162	-781	n.a.
3	Intercompany accounts: short-term.....	-1,133	n.a.	-533	-703	-496	662	-816	693	-631	n.a.
4	long-term.....	-580	n.a.	-402	-108	-230	249	-169	-235	152	n.a.
5	Capital stock and other equity, net.....	-1,032	n.a.	-230	-301	-484	-918	-260	-298	-431	n.a.
6	Increase ¹	-2,310	n.a.	-320	-380	-615	-1,119	-340	-401	-827	n.a.
7	Decrease ²	378	n.a.	90	49	31	201	90	103	96	n.a.
8	Miscellaneous ³	-27	n.a.	-10	4	-8	-19	-32	14	-23	n.a.
9	Branch accounts.....	-1,088	n.a.	-180	-378	-148	-172	-222	-672	-275	n.a.
10	By industry of foreign affiliate: ⁴										
11	Mining and smelting.....	-519	n.a.	-31	-111	-73	-254	-124	-116	-103	n.a.
12	Petroleum.....	-1,020	n.a.	-643	-877	-608	-67	-872	-287	-361	n.a.
13	Manufacturing.....	-1,408	n.a.	-608	-879	-400	-78	-663	-109	-807	n.a.
14	Other.....	-837	n.a.	-319	-370	-345	209	-800	106	-33	n.a.
15	Foreign direct investments in the United States (table 2, line 40).....	-87	322	124	1	-374	181	-360	360	237	95
16	Transactions with U.S. incorporated affiliates.....	-153	220	126	-3	-265	126	-382	336	106	90
17	Intercompany accounts.....	-364	-0	86	-4	-338	76	-430	304	94	32
18	Capital stock and other equity, net.....	-222	226	41	-2	143	50	47	31	102	56
19	Increase ¹	-255	277	16	16	143	60	54	38	132	58
20	Decrease ²	-23	-30	-6	-18	(*)	(*)	-7	-2	-30	-
21	Branch accounts.....	88	04	-1	10	21	57	32	16	41	5
22	Of which: manufacturing affiliates: ⁴	231	160	78	87	180	-43	-33	42	21	50
23	Foreign securities, net U.S. purchases (-) balance of payments basis (table 2, line 40 or lines 27 + 28 below).....	-368	-619	-361	-373	-246	73	-323	-364	211	-84
24	stocks, net, Treasury basis ⁵	-148	424	-81	-160	2	183	43	77	87	227
25	less: recorded in line 1 as U.S. direct investment abroad.....	-29	-13	-11	-10	-0	-3	-4	-1	-10	-3
26	plus: exchange of stock associated with direct investment in United States.....	-	-13	-	-	-	-	-	-	-13	-
27	plus: other adjustments.....	-28	436	-74	-170	7	137	48	76	84	230
28	Stocks, net, balance of payments basis.....	-14	-35	-8	-3	-3	-3	-0	-11	-10	-5
29	Newly issued in the United States.....	-11	-13	-8	-8	-3	-3	-7	-	-5	-1
30	of which: Canada.....	-8	471	-34	-103	10	160	58	37	94	235
31	Other foreign stocks.....	133	142	20	67	10	28	-15	32	59	06
32	Canada.....	30	336	-47	-20	20	64	70	112	88	41
33	Western Europe.....	-118	-33	-62	-133	-24	00	-20	-68	-60	115
34	Japan.....	-41	23	-5	-14	-22	-8	10	0	0	13
35	Other.....	-854	-1,048	-606	-609	-280	-84	-458	-412	191	-335
36	bonds, net, Treasury basis ⁵	-15	35	-13	-	-	-	7	17	3	8
37	less: recorded in line 1 as U.S. direct investment abroad.....	-29	-13	-11	-10	-0	-3	-4	-1	-10	-3
38	plus: exchange of stock associated with direct investment in United States.....	-	-13	-	-	-	-	-	-	-13	-
39	plus: other adjustments.....	-28	436	-74	-170	7	137	48	76	84	230
40	Bonds, net, balance of payments basis.....	-14	-35	-8	-3	-3	-3	-0	-11	-10	-5
41	Newly issued in the United States.....	-11	-13	-8	-8	-3	-3	-7	-	-5	-1
42	of which: Canada.....	-8	471	-34	-103	10	160	58	37	94	235
43	Other foreign bonds.....	133	142	20	67	10	28	-15	32	59	06
44	Canada.....	30	336	-47	-20	20	64	70	112	88	41
45	Western Europe.....	-118	-33	-62	-133	-24	00	-20	-68	-60	115
46	Japan.....	-41	23	-5	-14	-22	-8	10	0	0	13
47	Other.....	-854	-1,048	-606	-609	-280	-84	-458	-412	191	-335
48	bonds, net, Treasury basis ⁵	-15	35	-13	-	-	-	7	17	3	8
49	less: recorded in line 1 as U.S. direct investment abroad.....	-29	-13	-11	-10	-0	-3	-4	-1	-10	-3
50	plus: exchange of stock associated with direct investment in United States.....	-	-13	-	-	-	-	-	-	-13	-
51	plus: other adjustments.....	-28	436	-74	-170	7	137	48	76	84	230
52	Bonds, net, balance of payments basis.....	-14	-35	-8	-3	-3	-3	-0	-11	-10	-5
53	Newly issued in the United States.....	-11	-13	-8	-8	-3	-3	-7	-	-5	-1
54	of which: Canada.....	-8	471	-34	-103	10	160	58	37	94	235
55	Other foreign bonds.....	133	142	20	67	10	28	-15	32	59	06
56	Canada.....	30	336	-47	-20	20	64	70	112	88	41
57	Western Europe.....	-118	-33	-62	-133	-24	00	-20	-68	-60	115
58	Japan.....	-41	23	-5	-14	-22	-8	10	0	0	13
59	Other.....	-854	-1,048	-606	-609	-280	-84	-458	-412	191	-335
60	bonds, net, Treasury basis ⁵	-15	35	-13	-	-	-	7	17	3	8
61	less: recorded in line 1 as U.S. direct investment abroad.....	-29	-13	-11	-10	-0	-3	-4	-1	-10	-3
62	plus: exchange of stock associated with direct investment in United States.....	-	-13	-	-	-	-	-	-	-13	-
63	plus: other adjustments.....	-28	436	-74	-170	7	137	48	76	84	230
64	Bonds, net, balance of payments basis.....	-14	-35	-8	-3	-3	-3	-0	-11	-10	-5
65	Newly issued in the United States.....	-11	-13	-8	-8	-3	-3	-7	-	-5	-1
66	of which: Canada.....	-8	471	-34	-103	10	160	58	37	94	235
67	Other foreign bonds.....	133	142	20	67	10	28	-15	32	59	06
68	Canada.....	30	336	-47	-20	20	64	70	112	88	41
69	Western Europe.....	-118	-33	-62	-133	-24	00	-20	-68	-60	115
70	Japan.....	-41	23	-5	-14	-22	-8	10	0	0	13
71	Other.....	-854	-1,048	-606	-609	-280	-84	-458	-412	191	-335
72	U.S. securities, excluding Treasury issues, net foreign purchases (+), balance of payments basis (table 2, line 50, or lines 54 + 55 below).....	2,282	4,582	653	195	606	921	1,067	965	611	1,868
73	stocks, net, Treasury basis ⁵	715	2,277	73	-0	230	148	596	105	379	1,133
74	less: recorded in line 1 as U.S. direct investment abroad.....	34	139	0	3	85	86	86	86	86	86
75	plus: exchange of stock associated with direct investment in United States.....	-	-13	-	-	-	-	-	-	-13	-
76	plus: other adjustments.....	71	2,483	18	-3	230	11	636	168	390	1,223
77	Stocks, net, balance of payments basis.....	-83	-76	-10	-35	-3	-28	-67	-41	1	21
78	Canada.....	733	2,233	55	-15	175	615	646	130	375	1,070
79	Western Europe.....	108	280	30	47	58	84	104	76	3	120
80	Other.....	684	1,780	510	-1	810	117	600	570	211	666
81	bonds, net, Treasury basis ⁵	758	655	192	161	167	268	100	289	68	200
82	less: recorded in line 1 as U.S. direct investment abroad.....	-3	-105	-	-	-	-	-	-	-	-
83	plus: exchange of stock associated with direct investment in United States.....	-	-13	-	-	-	-	-	-	-13	-
84	plus: other adjustments.....	71	2,483	18	-3	230	11	636	168	390	1,223
85	Bonds, net, balance of payments basis.....	-83	-76	-10	-35	-3	-28	-67	-41	1	21
86	Canada.....	733	2,233	55	-15	175	615	646	130	375	1,070
87	Western Europe.....	108	280	30	47	58	84	104	76	3	120
88	Other.....	684	1,780	510	-1	810	117	600	570	211	666
89	bonds, net, Treasury basis ⁵	758	655	192	161	167	268	100	289	68	200
90	less: recorded in line 1 as U.S. direct investment abroad.....	-3	-105	-	-	-	-	-	-	-	-
91	plus: exchange of stock associated with direct investment in United States.....	-	-13	-	-	-	-	-	-	-13	-
92	plus: other adjustments.....	71	2,483	18	-3	230	11	636	168	390	1,223
93	Bonds, net, balance of payments basis.....	-83	-76	-10	-35	-3	-28	-67	-41	1	21
94	Canada.....	733	2,233	55	-15	175	615	646	130	375	1,070
95	Western Europe.....	108	280	30	47	58	84	104	76	3	120
96	Other.....	684	1,780	510	-1	810	117	600	570	211	666
97	Investments by International and Regional organizations in non-guaranteed bonds of U.S. federally sponsored agencies.....	30	183	128	-40	27	-67	28	155	-35	7
98	Other transactions in U.S. bonds.....	233	-80	36	-14	124	87	60	-120	-107	08

* Preliminary. * Revised. * Less than \$500,000 (±). n.a. Not available.

1. Acquisition of capital stock of existing and newly established companies, capitalization of intercompany accounts, and other equity contributions.

2. Sales and liquidations of capital stock and other equity holdings, total, and partial.

3. Includes security issues placed with outside interests in the United States; the authorization of these security issues, and verified transactions of non-reporters not classified by type of transaction.

4. Mining and smelting includes the exploration and development of mining properties, the extraction of raw ores and the processing necessary for basic refined metals. Petroleum includes the exploration, development and production of crude oil and gas, and the transportation, refining and marketing of petroleum products exclusive of petrochemicals. Manufacturing includes petroleum refining and the smelting operations of mining companies. "Other" industries includes all industries except those previously listed, the major ones being agriculture, public utilities, transportation, trade, insurance, finance and services.

5. As published in Treasury Bulletin. Treasury data are based on transactions by foreigners reported by banks and brokers in the United States; not purchases by foreigners (+) corresponding to net U.S. sales (-).

6. Redemptions measure scheduled retirements and identifiable premature retirements of U.S. held foreign debt securities. Unidentifiable unscheduled retirements appear in line 46.

7. Includes proceeds from new issues of stock sold abroad by U.S. corporations.

8. Securities newly issued by finance subsidiaries incorporated in the Netherlands Antilles are included to the extent that the proceeds are transferred to U.S. parent companies.

9. Minority reflects exclusion of investments by foreign official reserve agencies in debt securities of U.S. government corporations and agencies, private corporations, and state and local governments. These investments are included in table 2, line 66.

Note.—Details may not add to totals because of rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 7.—Claims on Foreigners and Nonliquid Liabilities to Private Foreigners Reported by U.S. Banks and Nonbanking Concerns

(Millions of dollars)

Line	(Credits (+); increase in U.S. liabilities or decrease in U.S. assets. Debits (-); decrease in U.S. liabilities or increase in U.S. assets.)	1971	1972 *	1971				1972				Amounts out- standing Dec. 31, 1972
				I	II	III	IV	I	II	III	IV	
A. Claims reported by U.S. banks:												
1	Long-term (table 2, line 41).....	-698	-1,280	25	-153	-237	-280	-376	-352	-335	-398	4,914
2	Short-term, nonliquid (table 2, line 42).....	-1,807	-1,534	111	-277	-481	-1,046	-231	175	48	-1,623	12,319
3	Payable in dollars.....	-1,800	-1,522	42	-285	-482	-975	-266	162	50	-1,369	12,218
4	By type:											
5	Loans.....	-1,457	-1,264	51	-400	-430	-678	-229	-602	-228	-735	5,730
6	Acceptance credits.....	-258	-1,039	-54	59	-29	-394	-156	928	576	-249	3,215
7	Collections outstanding.....	-85	-797	55	-44	7	-103	-1	-174	-236	-354	3,273
8	By area:											
9	Canada.....	-93	-288	-46	-28	39	-48	-150	-130	18	-12	780
10	Western Europe.....	-517	-514	-251	-215	163	-214	-277	81	-79	-239	1,834
11	Japan.....	-358	355	404	-30	-405	-394	276	483	208	-612	3,575
12	Other.....	-832	-1,080	-65	-98	-279	-389	-215	-283	-97	-505	6,949
13	Payable in foreign currencies.....	-7	-3	89	8	1	-85	35	13	-2	-54	181
14	Of which Canada.....	-7	18	84	17	-5	-90	19	16	1	-18	83
15	Short-term, liquid (table 2, line 43).....	-566	-733	-3	22	-341	-248	-439	360	-414	-186	2,141
16	Payable in dollars.....	-342	-792	11	31	-280	-134	-266	145	-262	-277	2,477
17	Of which Canada.....	-221	-70	25	15	-182	-229	-145	194	-77	8	750
18	Payable in foreign currencies.....	-224	59	-13	-9	-61	-111	-140	154	-52	97	684
19	By type:											
20	Deposits.....	-197	107	-3	-10	-68	-96	-31	93	55	-18	441
21	Foreign government obligations and commercial and financial paper.....	-27	-48	-10	1	-3	-15	-108	61	-107	107	223
22	By area:											
23	Canada.....	-85	-14	-12	10	-4	-69	-183	160	-111	120	334
24	Other.....	-139	73	-1	-29	-57	-42	43	-5	59	-23	350
B. Claims reported by U.S. nonbanking concerns:												
1	Long-term (table 2, line 44).....	-106	-249	-33	-11	-31	-34	-78	-71	-39	-41	3,514
2	Short-term, nonliquid (table 2, line 45).....	-585	-243	-87	-150	-64	-264	49	49	-7	-374	4,806
3	Reported by brokerage concerns.....	-34	-80	-35	14	-21	8	-67	40	3	-85	401
4	Reported by others.....	-551	-163	-52	-174	-43	-272	110	49	-10	-300	3,599
5	Payable in foreign currencies.....	13	n.a.	-5	2	3	8	-1	1	-6	n.a.	n.a.
6	Payable in dollars.....	-598	n.a.	-20	-170	-61	-278	117	48	-4	n.a.	n.a.
7	By area:											
8	Canada.....	-30	n.a.	-17	-3	16	-28	-34	8	-19	n.a.	n.a.
9	United Kingdom.....	-40	n.a.	8	-12	4	-49	53	42	-12	n.a.	n.a.
10	European Economic Community (6).....	-72	n.a.	-10	-17	14	-69	(*)	-6	55	n.a.	n.a.
11	Japan.....	-50	n.a.	-3	-20	-13	-23	-20	24	-4	n.a.	n.a.
12	Other.....	-214	n.a.	-2	-124	-67	-121	118	-13	-22	n.a.	n.a.
13	Short-term, liquid (table 2, line 46).....	-696	-408	-324	-5	-143	-31	-290	-187	-128	194	1,977
14	Payable in dollars.....	-423	-348	-302	40	-78	-53	-206	-166	-114	140	1,584
15	By type:											
16	Deposits (of major U.S. corporations only).....	-354	-330	-296	31	-57	-62	-150	-145	-142	130	1,385
17	Other claims (of major U.S. corporations only).....	-69	-38	-16	-11	-21	-21	-50	-18	28	1	209
18	By area:											
19	Canada.....	-68	-93	66	-4	-109	-50	-183	68	-69	03	433
20	United Kingdom.....	-194	-57	-234	90	109	-59	-80	53	23	28	604
21	Other.....	-131	-108	-38	-45	-78	25	-162	-98	-95	27	527
22	Payable in foreign currencies.....	-63	-58	-22	-45	-65	52	-82	-21	-9	54	428
23	By type:											
24	Deposits.....	-64	-64	2	-71	-90	85	-26	-62	-58	52	380
25	Other claims (of major U.S. corporations only).....	1	6	-24	23	16	-13	-54	81	47	2	45
26	By area:											
27	Canada.....	-37	65	-19	20	-11	-36	-41	44	30	25	75
28	Other.....	-45	-123	-12	-68	-54	88	-41	-63	-46	28	343
Memorandum:												
24	U.S. dollar deposits in Canadian banks:											
25	As reported by major U.S. corporations other than banks (included in line B. 14).....	-78	-121	54	-10	-63	-17	-178	31	-50	68	374
26	As reported in Canadian banking statistics.....	-118	-445	45	82	-173	-72	-174	105	-254	-180	379
C. Nonliquid liabilities to private foreigners reported by U.S. banks:												
1	Long-term (table 2, line 53).....	-249	148	-182	-81	-71	35	200	83	-73	-85	905
2	Of which international and regional organizations.....	-344	115	-180	-73	-78	-33	183	64	-80	-82	580
D. Nonliquid liabilities to private foreigners reported by U.S. nonbanking concerns:												
1	Long-term (table 2, line 54).....	303	551	184	32	-215	325	-176	193	139	344	4,477
2	Of which reported by Netherlands Antilles finance subsidiaries ²	274	105	59	37	32	115	-37	18	-8	180	389
3	Short-term (table 2, line 55).....	-34	131	-262	-79	154	181	96	21	-48	57	4,036
4	Reported by brokerage concerns.....	-37	54	162	-91	-90	-22	14	-13	-25	79	365
5	Reported by Netherlands Antilles finance subsidiaries ²	-4	-290	-197	74	86	43	-49	-26	-27	-108	682
6	Reported by others.....	17	295	-237	-62	178	140	181	61	7	95	3,019
7	Payable in foreign currencies.....	-34	n.a.	-36	-24	4	21	-29	42	25	n.a.	n.a.
8	Payable in dollars.....	51	n.a.	-292	-38	172	170	180	19	-10	n.a.	n.a.
9	By area:											
10	Canada.....	-10	n.a.	-17	-30	-6	14	0	-6	(*)	n.a.	n.a.
11	Western Europe.....	-76	n.a.	-158	-91	66	125	115	20	-27	n.a.	n.a.
12	Other.....	145	n.a.	-20	63	122	-20	36	-2	8	n.a.	n.a.

*Preliminary. *Revised. *Less than \$500,000. (d) n.a. Not available.

1. Includes United Kingdom, European Economic Community (6) and other Western European countries.

2. Funds obtained by finance subsidiaries incorporated in the Netherlands Antilles from

sources other than sales of newly issued securities are included to the extent that they are transferred to U.S. parent companies.

NOTE.—Data may not add to totals because of rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 8.—U.S. Liquid Liabilities to All Foreigners, Other U.S. Liabilities to Foreign Official Agencies, and U.S. Official Reserve Assets, Net

(Millions of dollars)

Line	(Credit (+); increase in U.S. liabilities or decrease in U.S. assets. Debit (-); decrease in U.S. liabilities or increase in U.S. assets.)	1971	1972 *	1971				1972				Amounts out- standing Dec. 31, 1972 †
				I	II	III	IV	I*	II*	III*	IV*	
1	U.S. Liquid Liabilities to private foreigners (table 2, line 54)	-8,891	4,816	-2,534	138	-2,163	-2,149	632	2,183	263	1,778	21,421
2	To foreign commercial banks	-8,908	3,903	-2,858	84	-1,323	-2,174	614	1,980	141	1,270	14,655
2a	Seasonally adjusted			-2,879	-892	-1,773	-1,313	476	980	319	2,133	
3	To foreign branches of U.S. banks	-4,622	172	-1,805	15	-1,630	-1,443	-800	356	34	-62	1,444
4	To others	-1,695	3,727	-897	59	-905	-721	714	1,654	107	1,898	15,401
5	Demand deposits	-5,339	1,772	-3,080	-890	-100	-990	-397	708	48	838	4,974
6	Time deposits	-404	225	-475	-220	0	111	30	-40	43	183	516
7	U.S. Treasury bills and certificates	-8	-2	-4	2,005	-730	-1,278	-4	1	(*)	1	5
8	Other obligations	-1,069	2,410	1,602	-802	-1,102	-367	790	1,326	86	240	9,630
9	To international and regional organizations	663	102	280	108	140	63	25	-72	-31	180	1,626
10	Demand deposits	4	12	4	-13	32	-10	15	-3	-6	7	55
11	Time deposits	33	8	8	0	-21	-20	-3	49	-14	-23	201
12	U.S. Treasury obligations:											
13	Bills and certificates	-1	115	31	-78	-18	64	84	-63	-67	181	325
14	Bonds and notes	150	58	115	2	12	1	1	4	82	1	214
15	Other obligations	616	-92	122	231	144	25	-62	-68	4	14	800
16	To other private foreign residents and unallocated	-466	890	72	-146	-270	-21	63	281	153	330	4,060
17	Demand deposits	-29	293	35	34	-184	83	22	117	-24	178	1,654
18	Time deposits	-282	340	-25	-34	-124	-49	60	79	50	115	2,025
19	U.S. Treasury obligations:											
20	Bills and certificates	-35	-31	4	-40	-1	11	5	-21	-13	-3	85
21	Bonds and notes	-115	-22	33	-25	-88	-68	-71	-4	17	35	425
22	Other obligations	-51	310	22	-72	-3	2	27	110	80	-7	481
23	U.S. Liquid Liabilities to foreign official agencies (table 2, line 55)	27,015	1,978	4,776	5,788	11,604	3,643	2,108	771	5,361	1,446	57,285
24	To central banks and governments	27,037	10,220	4,763	6,700	11,610	4,545	2,632	771	5,361	1,446	57,285
25	Demand deposits	-33	245	-73	-115	-13	170	-200	406	-267	946	1,624
26	Time deposits	-60	621	-311	8	141	112	190	322	-15	485	2,858
27	U.S. Treasury obligations:											
28	Bills and certificates	18,944	-888	4,801	2,201	7,496	4,456	2,239	-2,076	927	-1,049	31,619
29	Payable in U.S. dollars	18,944	-888	4,801	2,181	7,753	4,456	2,237	-2,076	925	-1,049	31,448
30	Payable in foreign currencies	0	0	0	20	-257	0	2	0	2	0	171
31	Bonds and notes, marketable	1,000	2,291	-3	87	636	040	639	848	825	1,119	5,236
32	Bonds and notes, nonmarketable, convertible	5,631	6,015	(*)	3,023	2,602	6	1	2,900	3,904	12	12,106
33	Payable in U.S. dollars	5,631	6,015	(*)	3,023	2,602	6	1	2,900	3,904	12	11,000
34	Payable in foreign currencies	0	0	0	0	0	0	0	0	0	0	1,096
35	Other obligations	1,474	703	360	405	646	-139	-130	-132	410	613	8,861
36	To International Monetary Fund	-22	-444	-7	-11	-4		-544				
37	Other readily marketable liabilities to foreign official agencies (table 2, line 56)	-523	480	-201	-148	-173	-5	231	27	34	118	544
38	Nonliquid liabilities to foreign official reserve agencies, reported by U.S. Government (table 2, line 57)	341	189	-2	-4	-3	398	286	-4	78	-155	3,699
39	Nonconvertible U.S. Treasury securities issued:											
40	To Italy in connection with military purchases in the United States	-2				-1	-1					22
41	To Canada:											
42	In connection with Columbia River power rights	-24					-24					
43	Other	376	200				376	200				2,340
44	To Germany		10					82		81	-153	691
45	To other countries		-12								-12	155
46	Export-Import Bank obligations	-4	-4	-2		-2		-2		-2		6
47	U.S. Treasury obligations to Germany to be liquidated against U.S. claims	-4	-4		-4				-4			24
48	U.S. official reserve assets, net (table 2, line 58)	2,343	32	145	258	1,273	-9	-103	-63	122	64	12,181
49	Gold (table 2, line 59)	806	847	109	485	300	1	544		2		10,487
50	SDR (table 2, line 60)	-249	-703	-692	194	180	-3	-710				1,058
51	Convertible currencies (table 2, line 61)	381	85	873	-66	72	2	64	-245	184	82	241
52	Gold tranche position in IMF (table 2, line 62)	1,360	163	285	282	861	-6	-1	185	-16	-16	486

* Preliminary. * Revised. * Less than \$500,000 (±).

1. Position figures reflect increase of \$7 million in U.S. Treasury bills and certificates (line 27), \$23 million in U.S. Treasury bonds and notes (line 31), \$76 million in nonmarketable, nonliquid U.S. Treasury obligations (line 41), and \$28 million in convertible currencies (line 47) resulting from the reallocations under the international monetary agreement of December 18, 1971. Total official reserve assets also include an increase of \$1,010 million resulting from a change in par value of the U.S. dollar on May 8, 1972, consisting of \$825 million gold, \$365 million SDR, and \$320 million gold tranche position in IMF.

2. During 1971, data included special Export-Import Bank and Treasury securities held as custody items by U.S. reporting banks on behalf of their foreign branches.

3. With maturity of 1 year or less; negotiable certificates of deposit with a maturity of 1 year or less are included in "other obligations".

4. Includes debt securities of U.S. Government corporations and agencies with a maturity of 1 year or less.

5. Includes liabilities of U.S. monetary authorities for gold deposited by and held for the IMF and includes U.S. Treasury obligations obtained from proceeds of gold sales by the IMF to the United States to acquire income-earning assets. Investment was terminated in February 1972 and gold was reacquired by the IMF.

6. Includes changes in nonliquid liabilities reported by U.S. banks and in investment in debt securities of U.S. Government corporations and agencies, private corporations, and state and local governments.

NOTE.—Details may not add to totals because of rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 9.—U.S. International

(Millions)

Line	(Credit+; debit-)	United Kingdom						European Economic Community (EEC)					
		1971	1972*	1972				1971	1972*	1972			
				I	II	III	IV			I	II	III	IV
1	Exports of goods and services ¹	4,164	4,384	1,124	1,078	1,060	1,332	11,467	11,936	2,903	2,838	2,793	3,464
2	Merchandise, adjusted, excluding military ²	2,358	2,653	790	599	572	783	8,085	8,728	2,149	2,045	1,975	2,507
3	Transfers under U.S. military agency sales contracts.....	195	55	11	12	15	17	587	276	84	67	64	79
4	Travel.....	67	96	18	23	33	23	100	231	32	71	86	66
5	Passenger fares.....	69	74	18	21	24	18	100	104	10	31	33	20
6	Other transportation.....	314	290	94	66	101	88	491	603	120	154	182	145
7	Fees and royalties from unaffiliated foreigners.....	67	74	10	10	19	19	164	156	30	20	39	29
8	Other private services.....	108	127	32	32	32	32	137	158	40	38	40	40
9	U.S. Government miscellaneous services.....	19	21	5	5	5	0	29	32	8	8	9	7
10	Receipts of income on U.S. investments abroad:												
11	Direct investment fees and royalties.....	282	306	73	70	74	82	505	545	129	119	123	173
12	Direct investment interest, dividends and branch earnings ³	472	530	118	124	103	138	880	915	211	164	250	220
13	Other private assets.....	161	180	44	44	44	48	186	189	42	39	38	41
14	U.S. Government assets.....	115	60	4	28	-17	84	45	23	14	12	1	-4
15	Transfers of goods and services under U.S. military grant programs, net.....	(*)	(*)	(*)				-1	-1	(*)	(*)		(*)
16	Imports of goods and services.....	-4,792	-4,611	-1,323	-1,465	-1,281	-1,437	-12,094	-14,369	-3,343	-3,587	-3,740	-3,061
17	Merchandise, adjusted, excluding military ²	-2,470	-2,644	-798	-751	-624	-833	-7,449	-8,025	-2,263	-2,172	-2,226	-2,554
18	Direct defense expenditures.....	-258	-331	-55	-111	-91	-70	-1,406	-1,620	-486	-410	-381	-414
19	Travel.....	-324	-341	-28	-22	-126	-55	-333	-350	-60	-318	-292	-90
20	Passenger fares.....	-288	-307	-26	-109	-64	-68	-416	-408	-81	-187	-180	-65
21	Other transportation.....	-310	-350	-70	-73	-64	-67	-406	-584	-129	-129	-151	-166
22	Fees and royalties to unaffiliated foreigners.....	-65	-68	-9	-9	-9	-9	-35	-40	-15	-15	-15	-15
23	Private payments for other services.....	-227	-269	-65	-65	-65	-65	-253	-268	-68	-68	-68	-68
24	U.S. Government payments for miscellaneous services.....	-14	-14	-3	-3	-4	-4	-73	-70	-18	-18	-18	-18
25	Payments of income on foreign investments in the United States:												
26	Direct investment fees and royalties.....	-11	-20	-4	-1	-10	-5	-3	-8	-3	-2	-2	-1
27	Direct investment interest, dividends and branch earnings ³	-228	-203	-74	-51	-33	-30	-124	-149	-42	-32	-28	-35
28	Other private liabilities.....	-497	-448	-100	-96	-114	-131	-583	-535	-140	-135	-142	-129
29	U.S. Government liabilities.....	-212	-225	-74	-64	-44	-43	-747	-1,060	-221	-247	-301	-321
30	U.S. military grants of goods and services, net.....	(*)	(*)	(*)				1	1	(*)	(*)		(*)
31	Unilateral transfers (excluding military grants), net.....	-54	-50	-14	-11	-13	-13	-35	82	16	8	38	3
32	U.S. Government grants (excluding military).....	-25	-29	-7	-7	-8	-8	-128	-119	-32	-30	-30	-40
33	U.S. Government pensions and other transfers.....	-28	-20	-7	-4	-5	-5	88	172	48	41	41	42
34	U.S. Government capital flows, net.....	165	204	36	56	-14	127	64	-18	-7	28	-27	-22
35	Loans and other long-term assets.....	-68	-38	-19	-8	-5	-5	-119	-103	-60	-25	-30	-47
36	Foreign currencies and other short-term assets, net.....	27	-4	10	4	-12	-8	-27	28	20	6	-8	1
37	Repayments on credits:												
38	Scheduled.....	204	201	3	40	3	137	127	110	24	50	11	24
39	Nonscheduled ⁴	43	43					73	7	7			
40	U.S. private capital flows, net.....	-1,215	-388	-205	131	-108	-280	-1,708	-1,124	-751	-243	-183	32
41	Direct investments abroad ⁵	-646	-30	-187	145	-47	8	-1,305	-1,087	-844	-281	-323	168
42	Foreign securities.....	-68	14	-23	17	25	-7	55	308	72	308	68	68
43	Claims reported by U.S. banks:												
44	Long-term.....	-59	-7	-1	-8	11	-6	-120	-41	3	-30	-28	-8
45	Short-term, nonliquid.....	-137	-109	-18	-20	-5	-68	-238	-275	-263	53	22	-189
46	Short-term, liquid.....	-45	-138	32	18	-88	-145	-74	-40	10	-92	47	-5
47	Claims reported by U.S. nonbanking concerns:												
48	Long-term.....	18	-15	(*)	21	-20	-15	17	43	8	-8	-3	60
49	Short-term, nonliquid.....	-45	86	60	32	-4	1	-77	-49	-18	11	55	-97
50	Short-term, liquid.....	-211	-72	-71	-68	21	26	-14	18	25	-24	-37	54
51	Foreign capital flows, net.....	2,337	-308	1,063	71	-2,025	-65	5,912	8,587	1,863	2,116	4,753	-22
52	U.S. Government nonliquid liabilities to other than foreign official reserve agencies.....	-48	-1	4	-5	2	-8	-380	-193	-78	3	-8	-111
53	Other foreign private capital:												
54	Direct investments in the United States ⁶	203	-7	6	-32	56	-37	60	151	63	91	37	-41
55	U.S. securities other than Treasury issues.....	848	1,118	322	131	148	511	884	1,733	301	417	123	204
56	Other long-term, reported by U.S. nonbanking concerns.....	-141	283	-16	115	0	183	104	-110	-40		-125	65
57	Short-term, reported by U.S. nonbanking concerns.....	-58	26	98	42	-48	-67	-111	45	2	-19	-12	74
58	Long-term, reported by U.S. banks.....												
59	U.S. liquid liabilities to private foreigners.....	1,731	-2,358	670	-180	-2,181	-682	5,183	7,075	1,432	1,622	4,660	-658
60	U.S. liquid liabilities to foreign official agencies.....												
61	Other readily marketable liabilities to foreign official agencies.....												
62	Nonliquid liabilities to foreign official reserve agencies reported by U.S. Government.....							-6	-7	32	-4	80	-186
63	Transactions in U.S. official reserve assets, net.....	363	4	(*)	-241	245	(*)	684	-23	(*)	1	-3	-31
64	Gold.....		3			5		608					
65	SDR.....												
66	Convertible currencies.....	303	1	(*)	-241	242	(*)	-4	-23	(*)	1	-3	-21
67	Gold tranche position in IMF.....												
68	Allocations of special drawing rights (SDR).....												
69	Errors and omissions, and transfers of funds between foreign areas, net.....	-805	3,117	-678	296	2,145	264	-4,042	-5,155	-632	-1,228	-3,503	300

See footnotes at end of table.

Transactions, by Area

(in dollars)

Other Western Europe						Eastern Europe						Canada						Line
1971	1972 *	1972				1971	1972 *	1972				1971	1972 *	1972				
		I	II	III	IV			I	II	III	IV			I	II	III	IV	
4,987	5,892	1,403	1,373	1,323	1,446	486	929	179	150	255	345	14,177	16,415	3,738	4,398	3,969	4,410	1
3,706	3,584	906	880	830	978	408	857	162	132	230	324	10,475	12,820	2,985	3,969	3,000	3,375	2
147	138	88	30	42	24							78	37	10	14	6	6	3
101	125	20	37	33	36							277	914	228	228	385	194	4
51	53	0	14	17	11							18	0	2	2	3	3	5
600	787	158	181	193	182	13	25	4	4	4	8	217	235	48	48	63	65	6
48	58	13	13	13	13	8	10	3	3	3	3	37	40	10	10	10	10	7
88	106	26	24	27	27	20	22	5	5	5	5	159	175	44	44	44	44	8
86	91	21	22	24	25	2	3	1	1	1	1	7	13	1	8	2	2	9
148	184	43	43	40	50							397	421	86	86	106	134	10
300	376	106	89	72	197							1,038	967	187	233	188	343	11
128	124	81	39	30	34	5	10	2	2	3	3	573	671	222	238	243	250	12
89	63	31	7	18	7	10	8	2	4	1	1	2	4	(*)	1	1	1	13
273	246	83	84	38	74													14
-5,319	-6,543	-1,224	-1,084	-1,717	-1,581	-279	-431	-81	-91	-131	-128	-14,507	-16,739	-3,607	-4,391	-4,038	-4,805	15
-2,730	-3,566	-817	-882	-800	-940	-225	-304	-72	-78	-103	-114	-12,166	-14,468	-3,422	-3,940	-3,181	-4,025	16
-208	-268	-78	-80	-73	-66	-4	-4	-1	-1	-1	-1	-193	-166	-47	-40	-38	-34	17
-640	-613	-75	-206	-200	-70	-20	-38	-2	-0	-22	-5	-1,127	-1,034	-85	-290	-553	-157	18
-280	-386	-61	-130	-110	-67													19
-501	-527	-164	-157	-180	-157	-11	-11	-3	-3	-2	-4	-231	-262	-64	-60	-60	-70	20
-19	-22	-4	-6	-6	-6	(*)	(*)	(*)	(*)	(*)	(*)	-6	-8	-2	-2	-2	-2	21
-54	-64	-16	-16	-10	-18	(*)	(*)	(*)	(*)	(*)	(*)	-187	-174	-44	-44	-41	-44	22
-62	-60	-16	-16	-12	-10	-6	-12	-3	-3	-3	-3	-10	-12	-3	-3	-3	-3	23
-12	-0	-2	-2	-1	-2							-64	-40	-12	-12	-10	-15	24
-96	-78	-23	-23	-13	-16							-88	-91	-24	-27	-16	-25	25
-527	-585	-138	-142	-148	-168	-1	-1	(*)	(*)	(*)	(*)	-286	-243	-67	-69	-62	-68	26
-171	-238	-57	-68	-82	-64	(*)	(*)	(*)	(*)	(*)	(*)	-207	-244	-68	-60	-63	-63	27
-272	-244	-83	-68	-30	-74													28
-281	-206	-79	-62	-86	38	-24	-28	-5	-6	-7	-7	-138	-120	-28	-26	-40	-31	29
-28	0	-16	-14	-16	106	-4	-1	(*)	(*)	(*)	(*)							30
-107	-118	-27	-27	-30	-34	-10	-12	-3	-3	-3	-3	-69	-72	-17	-17	-18	-20	31
-145	-150	-38	-41	-35	-37	-10	-13	-2	-4	-4	-3	-68	-48	-6	-0	-22	-10	32
-96	-228	-11	-4	-63	-149	6	-68	-2	30	-60	-27	-25	-28	-6	-12	-2	-9	33
-318	-457	-79	-72	-104	-228	-62	-157	-21	-4	-84	-48	-28	-32	-6	-12	-1	-12	34
18	12	1	3	8	(*)	24	27	5	11	7	4	3	(*)	2	-1	-1	(*)	35
204	217	52	53	82	60	44	62	14	24	8	10	1	4	(*)	1	(*)	3	36
	25	18	10															37
-368	-286	-261	163	-322	82	-28	-63	-36	-11	-24	1	-1,044	-1,648	-1,086	74	-522	-131	38
-131	-78	-208	81	-92	168							-226	-271	-143	110	-329	84	39
07	162	54	42	42	24							-279	-680	-178	-348	06	-222	40
-38	-47	-0	-8	-23	-12	-4	-20	-7	-12	-5	-2	84	-154	-5	-51	-4	-94	41
-145	-164	-68	19	-107	-12	-12	-30	-34	-2	6	2	-180	-265	-131	-123	10	-30	42
-12	-6	-30	11	-31	25	-4	3	2	-1	1	1	-388	-34	-328	354	-188	128	43
-21	13	-5	7	21	-8		-3	-4	1	-1		-16	-52	-10	-0	-18	-6	44
-88	-149	-40	7	-17	-60	-8	-7	16	3	-20		-12	-154	-30	27	-20	-106	45
-2	-4	(*)	6	-8	-8	(*)	(*)	(*)	(*)	(*)	(*)	-132	-20	-224	100	-53	119	46
4,314	2,478	49	88	1,791	570	-4	30	1	9	13	7	-267	721	335	688	-128	-73	47
-17	100	0	4	21	07	-2	(*)	(*)				-33	18	-1	-3	14	4	48
-35	78	23	23	5	28							85	97	42	108	-35	-13	49
643	1,136	267	137	345	297							-45	4	-30	-7	25	26	50
145	-25	1	11	-35	-1							5	-8	-1	-1	-7	(*)	51
-17	41	-44	29	32	34	1	6	2	-2	0		-20	-5	-11	-19	-8	33	52
3,572	1,143	-204	-145	1,437	56	-3	24	-1	11	7	7	-618	410	46	613	-115	-124	53
-4	-4	-2		-2														54
270	67	64	-5	-185	108							351	200	200				55
188												(*)	(*)	(*)			(*)	56
52	57	64	-5	-185	108							(*)	(*)	(*)			(*)	57
																		58
-3,487	-878	518	194	-1,026	-559	-127	-372	-62	-81	-35	-191	1,808	1,396	935	-632	760	332	59

Table 9.—U.S. International
(Millions)

Line	(Credits +; debits -)¹	Latin American Republics and Other Western Hemisphere						Japan²					
		1971	1972*	1973				1971	1972*	1973			
				I	II	III*	IV*			I	II	III*	IV*
1	Exports of goods and services¹	10,427	11,252	2,644	2,785	2,909	3,844	6,487	6,672	1,637	1,639	1,835	1,911
2	Merchandise, adjusted, excluding military¹	8,433	7,238	1,712	1,745	1,804	1,970	4,089	4,978	1,212	1,127	1,170	1,450
3	Transfers under U.S. military agency sales contracts	34	34	15	16	7	15	42	41	20	8	6	8
4	Travel	800	970	206	250	267	245	134	206	45	59	51	66
5	Passenger fares	180	140	35	45	50	31	184	144	22	21	37	44
6	Other transportation	380	400	89	101	104	109	235	303	68	69	104	103
7	Fees and royalties from unaffiliated foreigners	45	44	11	11	11	11	231	250	63	63	83	63
8	Other private services	307	351	87	88	88	88	54	62	16	16	16	16
9	U.S. Government miscellaneous services	57	67	16	17	16	17	35	41	5	8	12	10
10	Receipts of income on U.S. investments abroad:												
11	Direct investment fees and royalties	330	327	89	85	89	85	101	123	28	20	31	25
12	Direct investment interest, dividends and branch earnings¹	1,124	974	248	229	245	272	151	144	49	22	45	84
13	Other private assets	617	632	129	137	120	132	267	244	72	60	55	58
14	U.S. Government assets	155	146	31	44	27	44	33	30	9	7	6	8
15	Transfers of goods and services under U.S. military grant programs, net	21	24	6	6	6	7	(*)	(*)	(*)	(*)	(*)	(*)
16	Imports of goods and services	-8,575	-9,718	-2,887	-2,326	-2,418	-2,446	-8,639	-11,494	-2,424	-2,763	-3,812	-3,045
17	Merchandise, adjusted, excluding military¹	-6,115	-7,089	-1,807	-1,676	-1,711	-1,825	-7,277	-9,079	-2,090	-2,173	-2,410	-2,400
18	Direct defense expenditures	-162	-150	-38	-48	-27	-33	-614	-838	-204	-215	-206	-214
19	Travel	-1,322	-1,488	-435	-245	-388	-320	-88	-110	-17	-36	-44	-20
20	Passenger fares	-71	-65	-22	-26	-29	-18	-80	-72	-16	-19	-20	-12
21	Other transportation	-267	-290	-73	-69	-77	-77	-208	-345	-63	-63	-86	-61
22	Fees and royalties to unaffiliated foreigners	-3	-4	-1	-1	-1	-1	-5	-6	-1	-1	-1	-1
23	Private payments for other services	-184	-205	-48	-53	-53	-49	-24	-28	-7	-7	-7	-7
24	U.S. Government payments for miscellaneous services	-174	-184	-45	-43	-49	-46	-18	-22	-5	-4	-6	-6
25	Payments of income on foreign investments in the United States:												
26	Direct investment fees and royalties	-28	-28	-8	-8	-7	-6	-1	-2	-1	-1	-1	-1
27	Direct investment interest, dividends and branch earnings¹	-243	-247	-69	-66	-62	-70	-157	-220	-42	-48	-81	-75
28	Other private liabilities	-27	-9	-2	-3	-2	-3	-306	-648	-162	-153	-156	-188
29	U.S. Government liabilities	-21	-24	-5	-6	-4	-7	(*)	(*)	(*)	(*)	(*)	(*)
30	Unilateral transfers (excluding military grants), net	-638	-611	-134	-134	-126	-137	-48	-60	-30	-7	-13	-9
31	U.S. Government grants (excluding military)	-270	-266	-62	-69	-66	-78	2	2	-1	2	(*)	(*)
32	U.S. Government pensions and other transfers	-63	-84	-16	-16	-16	-17	-10	-14	-4	-3	-4	-4
33	Private remittances and other transfers	-214	-211	-66	-61	-64	-61	-26	-27	-8	-6	-10	-5
34	U.S. Government capital flows, net	-397	-441	-69	-106	-124	-142	68	46	3	63	14	-35
35	Loans and other long-term assets	-606	-736	-140	-182	-187	-237	-217	-228	-29	-66	-19	-69
36	Foreign currencies and other short-term assets	-7	-13	-2	-7	1	-5	(*)	-17	2	-4	(*)	-15
37	Repayments on credits:												
38	Scheduled	343	306	73	83	62	89	128	227	58	123	25	21
39	Nonscheduled¹	4	4					159	63	30	7	7	10
40	U.S. private capital flows, net	-1,332	-1,631	1	-429	-468	-735	-947	-272	-5	497	27	-781
41	Direct investments abroad¹	-686	-100	25	39	-15	-159	-211	-101	-78	-4	-53	-26
42	Foreign securities	-40	-41	-12	-42	15	-2	-128	-29	-23	-78	-64	124
43	Claims reported by U.S. banks:												
44	Long-term	-114	-333	-40	-146	-215	-132	-142	-60	-32	-31	20	-25
45	Short-term, nonliquid	-213	-313	-70	-271	-176	-243	-371	366	288	434	207	-613
46	Short-term, liquid	-44	-129	-11	-97	-80	-20	-17	-258	-125	60	-68	-67
47	Claims reported by U.S. nonbanking concerns:												
48	Long-term	-30	-15	-7	-14	8	-3		-82	-1	-24	4	-40
49	Short-term, nonliquid	-221	-185	110	-109	-68	-60	-40	22	-22	24	-3	23
50	Short-term, liquid							-20	-43	-15	-27	2	-12
51	Foreign capital flows, net	-11	797	-477	653	-169	591	10,088	5,993	585	119	1,401	3,587
52	U.S. Government nonliquid liabilities to other than foreign official reserve agencies	-6	-15	-10	-2	1	-5	-6	-8	-7	(*)	3	-4
53	Other foreign private capital:												
54	Direct investments in the United States¹	80	-24	-12	-27	11	3	-456	28	-478	191	163	153
55	U.S. securities other than Treasury issues	87	-9	13	-25	-60	42	54	178	27	99	21	31
56	Other long-term, reported by U.S. nonbanking concerns	100	1	-34	83	17	-45	0	413	4	1	279	128
57	Short-term, reported by U.S. nonbanking concerns	103	-27	89	-15	-63	-15	33	0	17	2	48	-50
58	Long-term, reported by U.S. banks												
59	U.S. liquid liabilities to private foreigners	-224	872	-804	661	-307	822	10,424	4,474	1,423	-174	896	2,320
60	U.S. liquid liabilities to foreign official agencies												
61	Other readily marketable liabilities to foreign official agencies												
62	Nonliquid liabilities to foreign official reserve agencies reported by U.S. Government												
63	Transactions in U.S. official reserve assets, net	4											
64	Gold	4											
65	SDR												
66	Convertible currencies												
67	Gold franchise position in IMF												
68	Adjustments of special drawing rights (SDR)												
69	Errors and omissions, and transfers of funds between foreign areas, net	381	621	635	-233	546	-385	-5,793	-39	15	642	-13	-704

* Preliminary. * Revised. * Less than \$500,000 (±).

1. Credits, +: Exports of goods and services; unilateral transfers to U.S.; capital inflows (increase in U.S. liabilities or decrease in U.S. assets); decrease in U.S. official reserve assets.

Debits, -: Imports of goods and services; unilateral transfers to foreigners; capital outflows (decrease in U.S. liabilities or increase in U.S. assets); increase in U.S. official reserve assets.

2. Excludes transfers of goods and services under U.S. military grant programs.

3. Excludes exports of goods and services under U.S. military agency sales contracts identified in Census export documents, and imports of goods included under direct defense expenditures identified in Census import documents, and reflects various other balance-of-payments adjustments (for valuation, coverage, and timing) to Census statistics; see table 4.

4. Excludes revalued earnings of foreign incorporated affiliates of U.S. firms or of U.S. incorporated affiliates of foreign firms.

Transactions, by Area—Continued

(of dollars)

Australia, New Zealand and South Africa						Other Countries in Asia and Africa ¹						International Organizations and Unallocated ²						Line
1971	1972 *	1972				1971	1972 *	1972				1971	1972 *	1972				
		I	II	III	IV			I	II	III	IV			I	II	III	IV	
2,534	2,447	602	541	616	689	18,614	12,799	3,482	3,358	2,941	3,544	951	1,094	192	146	195	476	1
1,564	1,546	308	328	408	432	5,120	4,427	1,553	1,084	1,482	1,828							2
53	80	15	17	6	10	778	778	322	308	38	140							3
41	53	9	11	10	14	98	114	30	30	85	22							4
40	80	8	17	18	18	72	89	15	18	80	25							5
66	72	13	17	19	18	588	659	168	188	159	167	309	274	54	66	69	74	6
24	25	7	7	7	7	18	28	5	5	5	5							7
40	40	12	13	12	12	262	282	85	64	65	65	190	220	55	65	66	69	8
1	1	(*)	(*)	(*)	(*)	146	149	84	35	39	35		1				1	9
165	174	42	41	37	38	206	235	38	73	66	59	25	30	7	7	5	11	10
304	323	80	82	74	105	2,816	2,382	790	774	614	686	433	370	24	14	11	322	11
87	85	15	17	15	19	280	283	71	95	71	75	105	126	47	12	55	12	12
27	30	2	12	2	6	401	421	105	83	87	184	15	-6	1	-7			13
						2,852	4,915	1,127	732	1,287	579							14
-1,481	-1,737	-346	-416	-547	-457	-8,628	-19,245	-2,478	-2,483	-2,573	-2,792	-476	-500	-199	-215	-384	-272	15
-1,139	-1,400	-270	-343	-422	-371	-5,775	-7,714	-1,788	-1,794	-2,040	-2,147							16
-35	-24	-7	-8	-6	-5	-1,784	-1,273	-381	-318	-287	-312							17
-68	-41	-22	-34	-14	-10	-205	-380	-75	-94	-110	-110							18
-67	-67	-14	-17	-18	-17	-85	-98	-12	-17	-35	-24	-35	-43	-11	-13	-13	-8	19
-42	-41	-10	-11	-10	-10	-241	-397	-79	-78	-68	-71	-559	-619	-184	-142	-160	-179	20
(*)	(*)	(*)	(*)	(*)	(*)	-3	-3	-1	-1	-1	-1							21
-6	-13	-2	-3	-2	-4	-37	-38	-12	-12	-12	-12							22
-24	-25	-5	-6	-7	-6	-259	-349	-65	-60	-62	-60	-110	-150	-10	-17	-77	-45	23
(*)	(*)	(*)	(*)	(*)	(*)	-2	-1	-1	(*)	(*)	(*)							24
-24	-28	-6	-6	-1	-1	-104	-110	-26	-26	-26	-26	-55	-65	-16	-16	-17	-17	25
-17	-50	-7	-10	-10	-20	-43	-84	-14	-14	-10	-19	-114	-178	-28	-28	-29	-28	26
						-2,581	-4,405	-1,117	-732	-1,287	-879							27
-24	-22	-5	-6	-6	-6	-2,284	-2,534	-698	-833	-883	-744	-186	-297	-46	-131	-76	-44	28
-5	-5	-1	-1	-2	-2	-1,554	-1,717	-505	-670	-350	-491	-388	-297	-46	-131	-76	-44	29
-19	-17	-4	-5	-5	-4	-142	-198	-36	-47	-37	-88							30
-21	-29	-28	25	-17	-18	-587	-571	-180	-176	-166	-173	-178						31
-21	-29	-28	25	-17	-18	-1,431	-244	-204	-405	-150	-182	-86	-60	-14	-13	1	-44	32
-120	-94	-21	-23	-22	-18	-2,480	-1,819	-445	-554	-255	-465	-71	-74	-17	-18	-1	-44	33
-1	-1	1	-2	1	-1	144	134	58	5	13	66							34
100	66	2	40	5	10	797	745	183	144	192	227	5	5	3		3		35
						-21												36
-558	-386	-74	-122	-37	-88	-1,644	-1,849	-381	-506	-228	-494	-819	-519	-318	5	7	-213	37
-304	-234	-71	-76	-35	3	-720	-915	-100	-417	-104	-294	-843	-389	-74	-14	-74	-228	38
20	23	12	6	1	8	-263	-240	-50	-82	-32	-76	-275	-129	-245	29	51	13	39
-110	-25	-11	-5	(*)	-6	-58	-348	-75	-83	-91	-95	(*)	(*)	(*)			(*)	40
-163	-188	-8	-14	-6	-78	-427	-134	-65	20	22	-81	(*)	(*)	(*)	-1	1	(*)	41
-15	-13	5	-10	-4	-7	52	-50	3	2	-16	-58						(*)	42
-22	-26	-2	-13	1	-12	-55	-102	-43	-33	-21	-7							43
-16	-9	-5	-17	7	6	-149	-50	-20	-14	13	-29	-1	1	-1	-1			44
446	2,183	347	467	657	712	-514	2,431	215	394	576	847	412	-85	-281	129	-116	182	45
3	-9	-1	4	-4	-9	-18	228	-3	101	113	117							46
11	(*)	(*)	(*)	(*)	(*)	6	-2	-2	(*)	7	1							47
-24	-26	2	7	5	-2	58	107	35	31	1	94	92	237	40	172	-10	25	48
-32	-13	3	15	-20	-2	-4	57	-41	-8	46	(*)							49
464	2,177	342	451	684	710	-620	1,540	227	290	400	656	320	-232	-280	-52	-07	137	50
																		51
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																		70
-227	-2,471	-494	-479	-685	-642	1,182	541	384	451	86	-79	-1,284	298	116	-163	347	-70	71

5. Includes sales of foreign obligations to foreigners.

6. Transactions with the Ryukyu Islands that were under U.S. military administration from the end of World War II until May 15, 1972, are included with Japan beginning in the first quarter 1972; in previous periods they are included with "other countries in Asia and Africa".

7. Includes transactions with shipping companies operating under the flags of Honduras, Liberia, and Panama.

NOTE.—Details may not add to total because of rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 10.—Summary of Known Current and Long-term Capital Transactions, by Area¹

(Millions of dollars)

Line	Receipts by foreign areas (-)	1971	1972*	1971				1972			
				I	II	III	IV	I	II	III*	IV*
1	All areas, balances on:										
2	Merchandise trade ²	-2,086	-5,816	479	-768	-1,072	-1,385	-1,378	-1,748	-2,079	-1,411
3	Goods and services	790	-4,219	1,619	261	-1,325	380	-805	-1,487	-2,292	283
4	Goods, services and remittances	-779	-5,778	1,198	-121	-1,788	-100	-1,171	-1,583	-2,071	-66
5	Current account	-2,064	-7,083	713	-616	-2,241	-863	-1,801	-2,436	-3,169	-573
6	Current account and long-term capital ³	-9,281	-9,243	-1,286	-5,486	-4,667	97	-3,618	-2,266	-3,781	414
7	United Kingdom, balances on:										
8	Merchandise trade ²	-112	-291	188	-114	-144	8	-27	-162	-12	-188
9	Goods and services	-893	-837	10	-281	-358	-10	-290	-291	-231	-185
10	Goods, services and remittances	-980	-977	8	-293	-370	-28	-213	-482	-244	-118
11	Current account	-980	-977	8	-293	-370	-28	-213	-482	-244	-118
12	Current account and long-term capital ³	-732	507	-894	-581	-288	237	-97	37	-75	648
13	European Economic Community (EEC), balances on:										
14	Merchandise trade ²	617	-287	228	111	-16	193	-115	-77	-286	158
15	Goods and services	-627	-2,489	131	-213	-554	20	-488	-728	-951	-290
16	Goods, services and remittances	-662	-2,377	115	-235	-672	21	-472	-721	-925	-257
17	Current account	-662	-2,377	115	-235	-672	21	-472	-721	-925	-257
18	Current account and long-term capital ³	-1,222	-1,669	-281	-608	-931	589	-719	-343	-1,214	796
19	Other Western Europe, balances on:										
20	Merchandise trade ²	420	-1	351	128	8	37	-9	16	-40	27
21	Goods and services	-382	-981	183	-104	-371	-105	-143	-323	-598	-88
22	Goods, services and remittances	-433	-1,210	144	-108	-441	-171	-218	-391	-668	-184
23	Current account	-433	-1,187	137	-122	-432	-177	-227	-406	-476	-47
24	Current account and long-term capital ³	-125	-43	180	-107	-492	406	-193	-109	-196	457
25	Eastern Europe, balances on:										
26	Merchandise trade ²	183	480	58	28	27	70	50	57	188	310
27	Goods and services	187	478	64	25	22	73	58	59	124	317
28	Goods, services and remittances	187	478	64	25	22	73	58	59	117	311
29	Current account	183	473	59	19	17	68	52	53	117	310
30	Current account and long-term capital ³	183	370	61	10	10	71	79	72	42	181
31	Canada, balances on:										
32	Merchandise trade ²	-1,063	-1,539	-357	-361	-478	-477	-587	-471	-181	-680
33	Goods and services	-330	-324	46	-33	-419	76	-77	-91	-67	-59
34	Goods, services and remittances	-450	-144	26	-66	-450	41	-188	-117	-107	-119
35	Current account	-450	-444	26	-66	-450	41	-188	-117	-107	-119
36	Current account and long-term capital ³	-599	-1,699	-46	-104	-365	-124	-458	-320	-468	-345
37	Latin American Republics and Other Western Hemisphere, balances on:										
38	Merchandise trade ²	318	170	71	29	197	69	-145	66	99	154
39	Goods and services	1,852	1,454	323	491	493	358	57	428	391	598
40	Goods, services and remittances	1,563	1,289	294	453	420	470	-14	373	321	550
41	Current account	1,314	953	184	357	343	462	-77	303	285	491
42	Current account and long-term capital ³	100	-288	197	-69	-80	80	-237	37	-75	28
43	Japan, balances on:										
44	Merchandise trade ²	-3,208	-4,101	-804	-876	-742	-1,067	-878	-1,540	-1,240	-687
45	Goods and services	-2,520	-4,782	-603	-697	-868	-1,213	-987	-1,228	-1,417	-1,134
46	Goods, services and remittances	-2,478	-4,603	-614	-917	-831	-1,226	-987	-1,232	-1,480	-1,143
47	Current account	-2,478	-4,603	-614	-917	-831	-1,226	-987	-1,232	-1,480	-1,143
48	Current account and long-term capital ³	-4,277	-4,602	-780	-1,218	-1,478	-880	-1,581	-1,618	-1,583	-574
49	Australia, New Zealand, and South Africa, balances on:										
50	Merchandise trade ²	586	140	202	77	131	145	123	-15	-19	51
51	Goods and services	1,122	720	310	211	243	286	256	120	106	232
52	Goods, services and remittances	1,099	807	314	205	334	344	251	110	182	220
53	Current account	1,099	807	314	205	334	344	251	110	182	220
54	Current account and long-term capital ³	685	436	203	63	143	254	192	64	6	211
55	Other countries in Asia and Africa, balances on:										
56	Merchandise trade ²	894	-1,067	301	231	-26	-242	-80	-130	-636	-519
57	Goods and services	2,886	2,456	951	958	537	411	686	748	285	763
58	Goods, services and remittances	2,176	1,630	167	807	368	228	404	530	66	540
59	Current account	822	-81	463	291	-12	-219	-12	196	-294	49
60	Current account and long-term capital ³	-2,080	-2,294	-120	-843	-566	-824	-463	-718	-567	-467
61	International organizations and unallocated, balances on:										
62	Merchandise trade ²	105	26	-20	82	-110	183	-1	-60	-106	284
63	Goods and services	105	26	-20	82	-110	183	-1	-60	-106	284
64	Goods, services and remittances	-83	-272	-72	47	-170	112	-47	-200	-185	100
65	Current account and long-term capital ³	-1,010	-494	-323	-840	-561	286	-130	25	-270	-120

* Preliminary. † Revised.

1. Balance of payments by area on the net liquidity basis and the official reserve transactions basis lack validity because liquid dollar holdings of private and official foreigners may be affected not only by their transactions with the United States but also by transactions among themselves. The balances shown by area here have some shortcomings due to statistical discrepancies including errors, omissions, and incorrect area attributions.

2. Balances are derived from lines in table 2 (all areas) and table 9 (individual areas) as follows:

Merchandise trade	2, 10,
Goods and services	1, 16,
Goods, services, and remittances	1, 15, 31, 32,
Current account	1, 15, 29,
Current account and long-term capital	1, 15, 29, 30-41, 44, 49, 49-51, 53 (by area only part of these is included).

The balance on current accounts and long-term capital with "all areas" includes changes in long-term liabilities to all private foreigners reported by U.S. banks; with "international

organizations" includes only liabilities to I.R.D. and affiliated organizations; and with other areas includes only liabilities to regional organizations. Increases in the long-term liabilities to other private foreigners included in the total, but not in the areas, amounted to (millions of dollars):

1971 year, 05; 1972 year, 33; 1971-I, 8; 1971-II, 12; 1971-III, 7; 1971-IV, 68; 1972-I, 47; 1972-II, 18; 1972-III, 7; 1972-IV, -10.

3. Adjusted to balance of payments basis; excludes exports under U.S. military agency sales contracts and imports under direct defense expenditures.

4. Includes some short-term U.S. Government assets; area data exclude long-term liabilities reported by U.S. banks other than to international and regional organizations (see footnote 1).

5. Transactions with the Ryukyu Islands that were under U.S. military administration from the end of World War II until May 15, 1972, are included with Japan beginning in the first quarter 1972; in previous periods they are included with "other countries in Asia and Africa".

Note.—Details may not add to totals because of rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

nificant only at the 10-percent level when introduced. In the equation for Latin America, where controls were least strict, the dummy variable is more likely reflecting reductions in direct investment unrelated to the FDIP.

Concluding comments

It might be noted that actual direct investment net capital outflows totaled \$3.3 billion in 1972, substantially less than the \$4.9 billion suggested by the global equation. The reasons for the large difference are not yet clear, but part of it reflected the volatile exchange market conditions of 1971 and 1972.

In order to see how the various equations relate to each other, net capital outflows implied for 1973 were calculated in three ways using the current projections for 1973 plant and equipment spending: (1) The equation for all

areas and industries combined, (2) the sum of the major industry equations, and (3) the sum of the major area equations. The three approaches result in rather small differences in the predicted 1973 capital outflows. The global equation predicts a value of \$5.4 billion; the sum of the predicted values from the three major industry equations is \$5.5 billion; and the sum of the predicted values from the four major area equations is \$5.7 billion. Use of the equations for Europe and manufacturing which include the FDIP dummy variable results in no significant change in these predicted values. However, the recent change in exchange rates and the continued instability of exchange markets suggests that it would be inadvisable to predict net capital outflows for 1973 based only on their relation to expected plant and equipment expenditures.

markets in 1972 and the large amount of unused manufacturing capacity in Western Europe which reduced the need of foreign affiliates for new plant and equipment. Direct investment outflows to Latin American Republics and other Western Hemisphere countries totaled only \$0.1 billion, a decline of more than \$0.5 billion. Growing uncertainties about governmental policies regarding direct investment by foreigners may be discouraging U.S. direct investment outflows to these countries.

New issues of securities sold abroad by U.S. corporations increased \$0.8 billion to \$2.0 billion in 1972. This increase in new issues was partly related to the more favorable European credit market conditions compared to 1971. In addition, the recovery of the U.S. stock market made convertible issues more attractive to foreigners. Such bonds accounted for more than \$0.7 billion of the increase in new issues (table 6).

Other long-term corporate borrowing totaled \$0.6 billion in 1972, an increase of \$0.3 billion. A significant portion of this borrowing during the second half of 1972 was in Japan, marking the first time that Japan has been a major source of such funds. This reflects the easing of credit controls there over the past year. The heavy accumulation of dollars by the Japanese central bank and the Japanese monetary authorities' policy of depositing dollars in Japanese commercial banks resulted in attractive terms for U.S. corporate borrowers.

The favorable swing of \$0.4 billion in other corporate claims in 1972 resulted from the reduction of outflows associated with short-term, nonliquid claims. Most of the improvement in this largely trade-related account occurred in the first half of 1972 as foreigners reduced their accounts payable, which had increased throughout 1971, with exchange market uncertainties a contributing factor.

Balance of Payments

(Continued from page 30)

outflows and a \$1.1 billion increase in corporate borrowing abroad. Other corporate claims shifted favorably by \$0.4 billion.

Preliminary data indicate that direct investment outflows totaled \$3.3 billion in 1972, the smallest since 1969. The reduction of direct investment flows may partly reflect the small size of the increase in affiliates' plant and equipment spending (2 percent in 1972 compared to 14 percent in 1971; see the article on plant and equipment expenditures abroad beginning on page 45). Also, a portion of the large direct investment outflows in 1971 was probably associated with anticipations of the appreciation in many leading currencies against the dollar. Some of these funds

may have been used for regular direct investment purposes in 1972, thus reducing the need for additional outflows from the United States.

Direct investment capital outflows were \$0.9 billion in the fourth quarter. The \$0.3 billion decline from the third quarter reflected a shift to substantial inflows on intercompany accounts, suggesting that many companies engaged in yearend positioning even though it may not have been necessary to meet OFDI program requirements.

An area breakdown of direct investment outflows in 1972 shows two major shifts. Direct investment outflows to Western Europe declined \$0.8 billion to \$1.2 billion in 1972. This probably reflected the relatively calmer exchange